

## **TRIMLEY ST MARTIN PARISH COUNCIL**

### **INTERNAL CONTROL POLICY**

#### **1. SCOPE OF RESPONSIBILITY**

Trimley St Martin Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The council is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

#### **2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

#### **3. THE INTERNAL CONTROL ENVIRONMENT**

##### **The Council:**

- Has adopted Financial Regulations which set parameters for its financial operations;
- Reviews its obligations and objectives and approves budgets for the following year at the December meeting;
- Approves the level of precept for the following financial year at the December meeting;
- Carries out monthly bank reconciliation checks at each meeting;
- Meets once a month (except August) and monitors progress at each meeting by receiving relevant reports from the Clerk/RFO;
- Carries out regular reviews of its internal controls, systems and procedures.

##### **Clerk to the Council/Responsible Finance Officer:**

- Has been appointed by the Council and acts as the Council's advisor and administrator;
- Is the Council's Responsible Finance Officer (RFO) and is responsible for administering the Council's finances;
- Carries out regular budget monitoring and reports regularly to the Council;
- Is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks;
- Ensures that the Council's procedures, control systems and policies are adhered to.

### **Payments:**

- All payments are reported to the Council for approval;
- Two members of the Council must authorise the payments sheet and adhere to the Council's Financial Regulations as appropriate.
- Payments are made by direct debit, standing order or BACS transfer, with online payments being raised by the Clerk and authorised by a Councillor.
- Where delegation occurs, as per s.101 (1)(a) of the Local Government Act of 1972, a report will be provided to the next full Council.
- All invoices are checked against bank statements at the next Full Council meeting.
- Regular payments are reviewed annually by the Council.

### **Income:**

All income is received and banked in the council's name in a timely manner and reported to the council.

### **Risk Assessments/Risk Management:**

- The Council maintains up to date risk assessment as appropriate, reviewing all documents at least annually, and regularly reviews its systems and controls.
- The Council seeks and receives appropriate property, legal, insurance and health and safety advice as appropriate to manage risk.

### **Internal Audit:**

The council appoints an independent and competent internal auditor who reports to the council on an annual basis on the adequacy of it's:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management

Any issues raised by the Internal Auditor are reported in writing to the Council and agreed actions are monitored to ensure that they have been carried out actioned within agreed timescales.

The Council reviews the effectiveness of internal audit annually.

### **External Audit:**

The council's external auditors, submit an annual certificate of audit which is presented to the Council.

## **4. REVIEW OF EFFECTIVENESS**

The parish council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement of Internal Control.