



## **PONTESBURY PARISH COUNCIL INTERNAL CONTROLS POLICY**

**SCOPE OF RESPONSIBILITY** Pontesbury Parish Council is responsible for ensuring 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. In discharging this overall responsibility, the council is also responsible for ensuring 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.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROLS** The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk. It cannot provide an absolute assurance of effectiveness. The system of control is based on an on-going process to identify the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

### **THE INTERNAL CONTROL ENVIRONMENT**

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

- Has appointed a Chairman responsible for the smooth running of meetings.
- Meets at least four times each year, including an annual meeting in May.
- Approves budgets for the following year at its December/January meeting. The January meeting of the Council approves the level of Precept for the following financial year.
- Monitors, through the Finance & General Purposes Committee every quarter, the actual expenditure against budget with a (revised) forecast for the end of the year.
- Explicitly refers to managing risks when taking decisions in council meetings.
- Appoints and reviews the work of the Internal Auditor.

#### **The Clerk to the Council/RFO...:**

- is responsible for administrating the Council's finances.
- is responsible for the day to day compliance with the law 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 each meeting of the Parish Council. Two members of the mandated bank signatories must authorise every payment after review of the accompanying invoice; payments made through the online banking system will be entered onto the system by the Clerk/RFO and then approved by two of the mandated authorised members having had sight of the accompanying invoices.

**Risk Assessments/ Risk Management:** The council annually reviews its Risk Management Policy and carries out a risk assessment in respect of actions taken or to be taken. In this way, the council maintains oversight of its systems and controls.



**Internal Audit:** The council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal controls
- Regulations
- Risk Management
- Reviews

The effectiveness of the independent internal audit is reviewed annually.

**External Audit:** The Council's External Auditors are appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) and submit an annual Certificate of Audit, which is reported to the Council.

**REVIEW OF EFFECTIVENESS** The Council is responsible for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

- The Full Council
- The Finance & General Purposes Committee
- The Personnel & HR Committee
- Clerk to the Council/RFO who has the responsibility for the development and maintenance of the internal control environment and managing risks
- The independent Internal Auditor who reviews the Council's system of internal control
- The External Auditor, who makes the final check using the Annual Return and issues an annual audit report (part 3 of the Annual Governance and Accountability Return).
- The number of significant issues that are raised during the year.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.

Agreed at the meeting of Pontesbury Parish Council

Date: 16<sup>th</sup> May 2024

Date of review of this policy: May 2025