GEORGEHAM PARISH COUNCIL

INTERNAL CONTROL POLICY

FOR THE YEAR ENDING 31st MARCH 2024

1. SCOPE OF RESPONSIBILITY

The Accounts and Audit Regulations 2003 states that a Council shall be responsible for ensuring that its financial management is adequate and effective and that it has 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

Georgeham Parish Council (the 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.

In discharging this overall responsibility, the Council is also 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

Internal control is designed to reduce financial risk to the Council

The system of internal control is designed to ensure that the council's activities are carried out properly and as intended. Internal controls are set up by the RFO but it falls on the Council members to ensure that they have a degree of control and understanding of those controls. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and 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. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

3.1 The Council:

✓The Council has appointed a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs the last page of the minutes, and initials all other pages.

✓Decisions made should be within the Standing Orders and Financial Regulations laid down and approved by the Council.

✓The Council reviews its obligations and objectives and approves budgets for the following year at its November meeting. The November meeting of the Council approves the level of precept for the following financial year.

✓The Council receives a financial statement which it approves at its Council meetings. Payments are made in accordance with Standing Orders and Financial Regulations.

✓Two councillors (out of appointed named signatories) must authorise all payments. Payments are made online and shown on the meeting agenda and minutes, they are authorised during or soon after the meeting

✓At the year end, the Chairman shall ensure that the cash book totals are reconciled to the year end bank statement and shall sign the cash book and the year end bank statement as evidence of this check.

3.2 Clerk to the Council / Responsible Financial Officer:
The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and polices are maintained.

✓ The duties of the Clerk / RFO are laid down in a Job Description which is reviewed each year.

✓The RFO submits all the requested information to the External Auditor by the required date.

✓The RFO arranges for the public notices to be displayed.

✓The RFO will retain all relevant documents relating to the financial year for 10 years (Annual Return, VAT Returns, PAYE/NIC information, Public notices, Fixed Asset register, Risk assessments; accounts and supporting information).

3.3 Internal Auditor
The Council has appointed an Independent Internal Auditor who will report to the Council on the adequacy of its:

- Records
- procedures
- systems
- internal control
- regulations
- risk management
- reviews

✓The effectiveness of the internal audit is reviewed annually, and the council agrees to the appointment of the Internal Auditor. The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council.

✓The scope of the work (and the charge) of the Independent Auditor is reviewed annually and the review and the appointment is minuted.

✓The IA will inspect the accounts at the year end (prior to completion of the Annual Return pages 2 and 3) and will complete page 5 of the Annual Return

✓The IA will write a separate report to the Council (a copy of which is sent to the Chairman) detailing any findings they might have.

✓The report of the IA is copied to all members of the Council and considered as an agenda item at the next meeting. Recommendations from the report will be recorded in the minutes.

3.4 External Audit:
The Council's External Auditors, appointed by the Audit Commission, submit an External Auditor's Report, which is presented to the Council.

4. REVIEW OF EFFECTIVENESS
The Council has responsibility 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 and any issues identified by:

- Full Council – identification of new activities
- Clerk to the Council / Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks – risks identified
- Internal Auditor who reviews the Council's system of internal control. The auditor will make a written report to the Council (in addition to Section 4 Report in the Annual Return.) – action arising from reports
- The Council's External Auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor. The External Auditor issues an annual audit certificate

5. SIGNIFICANT INTERNAL CONTROL ISSUES

n/a

6. EXTERNAL AUDIT OPINION

Any matters raised on the Annual Return for the financial year to 31st

March 2024 will be reported to Council, and any necessary action will be minuted.

(Review and update of policy due May 2025)