



INTERNAL CONTROL POLICY

SCOPE OF RESPONSIBILITY

Nettleham 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 property accounted for, 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.

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: -

- The council as a corporate body is responsible under statute for certain decisions which cannot be delegated.
- The council has made and will keep under review Financial Regulations and includes within its Standing Orders particular provisions relating to contracts. The council's System of Internal Control is ancillary to and underpins the Financial Regulations and Standing Orders.
- The council must appoint a Chairman who is responsible for the smooth running of meetings and ensures that all council decisions are lawful with the advice of the Parish Clerk. Neither the Chairman nor any individual councillor may make decisions on behalf of the council.
- Decisions are made in accordance with the Standing Orders (re-adopted annually) and Financial Regulations approved by the council.
- Approves budgets for the following year by its December meeting.
- By the January meeting of the Council it has approved the level of Precept for the following financial year.
- Meets once every month other than August with additional meetings as required.
- Monitors every quarter the expenditure against budget with a forecast for the end of the year.



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- Appoints and reviews the work of the Internal Auditor.
- Ensures that the Council holds relevant insurance cover.

The Clerk to the Council/Responsible Financial Officer (RFO): -

- The Clerk is responsible for the day to day compliance with the law and regulations that the Council is subject to and for managing risks.
- The RFO is responsible for administering the Council's finances and managing risks in conjunction with the Clerk.
- The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.
- The RFO shall provide the council, at each full council meeting, with a statement of receipts and payments to date. In addition, the RFO will provide details under each main head of budgets (comparing actual expenditure to the appropriate date against that planned and as shown in the budget) at least each quarter at the same time as the bank reconciliation is submitted.
- Ensure that all VAT are identified and reclaimed quarter.
- The Clerk/RFO submits all the requested information to the internal and external auditor by the required date.
- The Clerk/RFO arranges for public notices to be displayed.
- The Clerk/RFO retains all relevant documents relating to finances in accordance with best practice.
- Such other Officers and contracted support staff appointed to assist with the administration of the council will report to and work under the direction and authority of the Parish Clerk.

Payments: -

- All payments are reported to the Council for approval before payment.
- Two members of the Council must authorise every payment.

Risk Assessments/ Risk Management: -

- The council carries out a risk assessment in respect of actions and regularly reviews its systems and controls.
- The Council has a risk assessment/management document which is reviewed annually in March every year.



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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 internal audit is reviewed annually.

External Audit:

- The Council's External auditors submit an annual Certificate of Audit, which is reported by the Council.

Standing Orders:-

- The Council has adopted Model Standing Orders as recommended by NALC and amended to reflect local requirements as is best practice. These are reviewed annually and amended as required throughout the year to reflect any amendments to legislation.
- These are available on the Councils website.

Financial Regulations:-

- The Council has adopted the Model Financial regulations as recommended by NALC and amended to reflect local requirements as is best practice. These are reviewed annually and amended as required throughout the year to reflect any amendments to legislation.

Asset Management:-

- The council's Asset Register is to be reviewed on an annual basis by the full council.
- No property shall be sold, leased or otherwise disposed of without the authority of the council.
- The adequacy of insurance of the Parish council's assets is considered annually in advance of the insurance renewal.



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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 of :-

- The Full Council
- The HR Committee
- The Properties Committee
- Audits undertaken by Council Officers at least annually.
- The independent Internal Auditor who reviews the Council's system of internal control
- The Council's External Auditors who makes the final check using the Annual Return and issues an annual audit report.
- 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.