MANATON PARISH COUNCIL
INTERNAL CONTROL POLICY

SCOPE OF RESPONSIBILITY

Manaton 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.

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 CONTROL

The system of internal control has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the annual accounts and accords with proper practice as set out in the Governance and Accountability for Smaller Authorities in England Practitioners' Guide to Proper Practices (March 2019 Edition)

Internal controls are set up by the Clerk who is the Responsible Financial Officer, but the Council members must ensure that they understand those controls and that they are operated effectively.

PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

The Council:

The Council has appointed a Chair, who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. The Chairman signs the minutes at the Council meetings.

Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.

The Council approves a budget for the following year at the January meeting which also considers and approves the level of precept for the following financial year.

The Council receives a budget report each quarter and at each Council meeting receives a financial statement and a bank reconciliation.

The Council has adopted Financial Regulations which set parameters for the Council's financial operations. The Council has appointed a Responsible Finance Officer who implements the financial systems and controls.

The Council meetings are held monthly with the exception of August, and monitors progress against objectives, financial systems and procedures, budgetary control and conduct regular reviews of financial matters. Progress is monitored by discussion and by receiving relevant reports from the Parish Clerk and Responsible Financial Officer.

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 from time to time.

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

The RFO arranges for the public notices to be displayed.

The RFO retains all relevant documents relating to finances for 6 years (Annual Return, VAT Returns, PAYE/NIC information, public notices, Fixed Asset register, Risk assessments, accounts and supporting information)

Payments

All expenditure must be authorised by the Council or by the Clerk after consultation with the appropriate Chair.

The Council's Cashbook Accounting Spreadsheet is maintained detailing receipts and payments.

A copy of all receipt and payment information is made available at each Council meeting and is presented for inspection at the meeting together with the bank reconciliation. A year-to-date budget sheet is maintained monthly and presented quarterly.

Two authorised members of the Council must sign the order for payment or every cheque. The signatories check each request against the relevant invoice. Two signatories also sign any invoice presented for BACS or Direct Debit Payment. Any Direct Debit or Standing Order payment is reviewed annually or on a change of circumstance.

Contracts

Procedures as to the contracts are laid down in the Council's Standing Orders and in the Council's Financial Regulations.

Risk Assessments / Risk Management

The Council conducts regular risk assessments to record risks and related health and safety, employment, and insurance issues. The Clerk or Councillors will report on risk assessment to the Council for its consideration and action when appropriate. The Council has a "Risk Assessment Policy" which incorporates both internal and asset risks.

Internal Auditor:

The Council has appointed an Independent Internal Auditor who reports 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 scope of the work of the Internal Auditor is reviewed annually and the review and the appointment is minuted.

The Internal Auditor inspects the accounts at the year-end 31st March, (prior to completion of the external audit if applicable) and completes and signs the required Audit section of the ‘Annual Governance and Accountability’ (AGAR) Form.

The findings of the Internal Auditor are copied to all members of the Council and considered at the next Council meeting.

Policy Status and Review

This policy was adopted by Manaton Parish Council at a meeting of the full council on 13th May 2024. It will be reviewed annually.