

All Saints Parish Council

Internal Controls Policy

(agreed at Council Meeting on 6 May 2025 (Minute AM22/25 e.)

1. SCOPE OF RESPONSIBILITY

All Saints Parish Council (the Council) is responsible for ensuring 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 effective 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 controls is set up by the Clerk and Responsible Finance Officer (RFO), but it also falls to 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 evaluating the likelihood of those risks being realised and the impact should they be realised, and managing them efficiently, effectively, and economically.

3. 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 lawfully taken.
- The Chair initials each page and signs the last page of the minutes which record the proposer and seconder of all resolutions passed at Council and Committee meetings.
- The cashbook is presented each month for scrutiny by the Council and a named Councillor is responsible for liaison with the Clerk/RFO regarding its upkeep.
- Decisions made are with the Standing Orders and Financial Regulations laid down and approved by the Council. These are kept regularly under review.
- The Council reviews its obligations and approves budgets for the following year at the January meeting.
- The January meeting of the Council approves the level of precept for the following financial year.
- Payments are made in accordance with Standing Orders and Financial Regulations. The appointment of authorised signatories is kept under review.

- Two Councillors under delegated authority sign all invoices against payments sheets. The signatories will ensure that the banking agrees with the amount of the invoice and the payee named on the invoice.
- All payments are made using internet banking; these will be first set up the Clerk/RFO and then authorised by two designated Councillors in accordance with Financial Regulations.
- Internal control issues are reviewed at least annually by the Full Council.
- All Council policies are reviewed annually for accuracy in relation to the policy as they reflect changes in legislation and current best practice.
- The Council has an up-to-date Risk Register which is reviewed annually (or as needed) by the Full Council and actions are put in place to either control, mitigate or remove risks as they occur.

4. [PARISH CLERK \(PROPER OFFICER\)/RESPONSIBLE FINANCIAL OFFICER \(RFO\)](#)

- The Council have appointed a Clerk and Proper Officer to the Council who acts as the Council's advisor and principal administrator.
- The Clerk is also the Council's Responsible Financial Officer (RFO) and is responsible for managing the Council's finances. The RFO is responsible for the day-to-day compliance with legislation and policies and for managing risks. The RFO ensures that the Council's procedures, control systems and policies are maintained. The RFO also exercises responsibility for the Council's banking arrangements in conjunction with the Full Council.
- The duties of the Clerk/RFO are laid down in a Job Description, which is subject to review.
- The Clerk/RFO manages the timetable for the audit programme and its completion by either the Internal or External Auditor ensures the Council approves the Annual Return (AGAR), and compliance with the Elector's rights. The RFO submits all requested information to the Internal Auditor by the agreed date and arranges for the required publication of notices, accounts, and returns.
- The RFO will retain relevant documents to the financial year for 6 years (Annual Return, VAT Returns, PAYE/NIC information, public notices, Fixed Asset Register, risk assessments, accounts and supporting information).

5. [INTERNAL AUDITOR \(IA\)](#)

Where the Expenditure and Receipts for the relevant Financial Year is below the current limit of £25,000, then the Council can notify the External Auditor and claim exemption from an External Audit and appoint an Independent Internal Auditor (the IA) who will provide to the Council on the adequacy of the Council's:

- Records, procedures, and systems.
- Book-keeping and bank reconciliations.

- Financial regulations and Standing Orders.
- Budgetary controls.
- Asset management.
- Payment controls.
- Risk management.
- Statutory/regulatory compliance.
- Regular reviews of the effectiveness of internal controls.

The effectiveness of the internal controls is reviewed after it has been produced, and the Council reviews the appointment of the IA. The IA, who is competent and independent, will carry out the work required in accordance with the Governance and Accountability Guide for Local Councils and additionally will be advised of and additional work required by the Council.

The scope of the work of the IA is reviewed annually and the review and the appointment are minuted.

The IA will write a separate report to the Parish Clerk and the Council detailing any findings they may have.

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

6. [EXTERNAL AUDIT](#)

If either the total Expenditure or Receipts incurred during the relevant Financial Year exceed the limit currently of £25,000, then the Council must appoint the External Auditors to complete the Audit and then submit an External Auditor's Report, which is presented to the Council as an agenda item and any actions needed are implemented.

7. [REVIEW OF EFFECTIVENESS](#)

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control.

The review is informed by the work and any issues identified by:

- Full Council identification of new activities.
- Clerk/RFO who has responsibility for the development and maintenance of the internal control environment and managing risks.
- IA, who reviews the Council's system on internal control and who makes a written report to the Council.

The Council's External Auditors, who make the final checks using the Annual Return, a form completed and signed by the RFO, the Chair and the IA. The External Auditor issues an annual audit certificate-action arising from the Audit Report.

8. [SIGNIFICANT INTERNAL CONTROL ISSUES](#)

Subject to the Internal Auditor's review, any additional or recommended changes to the controls to be implemented and put into place by the Council.

9. [EXTENAL AUDIT OPINION](#)

The audit reports in respect of the financial year to 31 March 2024 were adopted and with measures put in place in respect of comments make.

10. [DATA PROTECTION COMPLIANCE](#)

The Council has fully complied with the Data Protection legislation which came into force in the United Kingdom dated 25th May 2018 and keeps its compliance under regular review.