



# Rushmere St. Andrew Parish Council

[www.rushmerestandrew.onesuffolk.net](http://www.rushmerestandrew.onesuffolk.net)

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## INTERNAL CONTROL POLICY

### 1. Scope of Responsibility

- 1.2 Rushmere St Andrew Parish Council is 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 effective management of risk. In accordance with the Local Government Act 1972 s151, the Council has appointed the Assistant Clerk as the Responsible Financial Officer (RFO) who administers the council's financial affairs in accordance with all Acts, Regulations and proper practices.

### 2. The Purpose of the System of Internal Controls

- 2.1 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 Clerk / 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 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 the Internal Control Environment

- 3.1 The Council
- a) 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.
  - b) Chairs of Committees exercise similar responsibilities under delegated authority within their terms of reference.
  - c) The Chair of each meeting (of both Council and Committees) signs each page of the minutes.
  - d) Decisions made are within the Standing Orders and Financial Regulations laid down and approved by the Council. These are kept regularly under review.
  - e) The Council reviews its obligations and objectives and approves budgets for the following year at its December and January meetings.
  - f) The January meeting of the Council approves the level of precept for the following financial year.
  - g) The Council receives and considers regular financial statements at quarterly meetings.
  - h) Payments are made in accordance with Standing Orders and Financial Regulations.
  - i) The appointment of authorised signatories is kept under review.



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- j) The council has a default position whereby all payments made are via internet banking or, where appropriate, debit card.
  - k) One Councillor (from the currently authorised signatories) are required to sign into the Council's bank to authorise the release of all payments having satisfied themselves that the payments to be made are in accordance with the supporting paperwork shared with them for payment.
  - l) All such payments will be made in accordance with Council's adopted Financial Regulations and adopted Internal Banking Policy.
  - m) Internal control issues are reviewed regularly by the designated Councillor (quarterly) and reported to full Council (quarterly).
  - n) All Council policies are reviewed annually for accuracy in relation to the policy areas they reflect, changes in legislation and current best practice.
  - o) The Council has an up-to-date Risk Assessment which is reviewed on a quarterly basis of the Clerk/ RFO and Chairman. It is reviewed on an annual basis or as and when any new activity or risk is undertaken or identified by the Parish Council.
- 3.2 Clerk and Responsible Financial Officer: The Council has appointed a Clerk and Assistant Clerk to the Council who function as the Council's advisors and administrators. The RFO is responsible for managing the Council's finances. The Clerk and RFO are responsible for the day-to-day compliance with legislation and policies and for managing risks. The Clerk and RFO ensure 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 Parish Council. The duties of the Clerk and RFO are laid down in a Job Description. The RFO manages the timetable for the audit programme, Council approval of the annual return, and the compliance with the electors' rights. The RFO submits all the requested information to the External Auditor by the agreed date and arranges for the required publication of notices, accounts and returns. The RFO has authority to initiate payments to the Council's bank accounts for authorization by one authorised bank signatory and signed by another authorised bank signatory. This arrangement is controlled by Financial Regulation 6.9.
- 3.3 The Council has a Debit Card with Barclays Bank which is restricted to use by the Clerk for use in single transactions with a maximum limit of £500. The use of this card is controlled by Financial Regulation 6.19.
- 3.4 Internal Auditor (IA)  
The Council has appointed an Independent Internal Auditor (the IA) who will report to the Council on the adequacy of the Council's:
- a) Records, procedures and systems
  - b) Book-keeping and bank reconciliations
  - c) Financial regulations and Standing Orders
  - d) Budgetary controls
  - e) Asset management
  - f) Payment controls
  - g) Risk management



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- h) Statutory / regulatory compliance
  - i) Regular reviews of the effectiveness of internal control.
- 3.5 The effectiveness of the internal audit is reviewed annually, 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 any additional work required by the Council.
- 3.6 The scope of the work of the IA is reviewed annually and the review and the appointment is minuted.
- 3.7 The IA will inspect the accounts at the year-end (prior to completion of the Annual Governance and Accountability Return (AGAR) -Sections 1 and 2) and will complete the Annual Internal Audit Report of the AGAR.
- 3.8 The IA will write a separate report to the Council (a copy of which is provided to all members) detailing any findings they might have. The report of the IA is considered as an agenda item at the next available meeting. Recommendations from the report will be recorded in the minutes and the Parish Council will produce an Audit Plan to manage any identified weaknesses or recommendations identified for improvement.

## 4. External Audit

- 4.1 Given the level of income and expenditure, Council is subject to a Limited Assurance Review by an External Auditor as appointed by The Smaller Authorities' Audit Appointments Ltd which is a section led company appointed by the Department of Communities and Local Government, as the specified person to procure and appoint external auditors to smaller authorities. They perform the functions set out in relevant legislation and have been rewarded the ongoing audit contract for the five-year period commencing 1st April 2022. The Council's External Auditors submit an External Auditor's Report, which is presented to full Council.
- 4.2 Under the limited assurance regime, the external auditors undertake a limited range of specified procedures to give a report that provides limited, rather than reasonable, assurance about the Council's accounting statements.

## 5. Review of Effectiveness

- 5.1 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:
  - a) Full Council – identification of new activities or risks
  - b) Clerk to the Council and RFO who have responsibility for the development and maintenance of the internal control environment and managing risks
  - c) IA, who reviews the Council's system of internal control and who makes a written report to the Council
  - d) The Council's External Auditors, who make the final check using the AGAR, a form completed and signed by the RFO, the Chairman and the IA. The External Auditor



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issues an annual audit certificate and identifies any actions taken need to be taken into account by the Council arising from Audit Report.

### 6. Significant Internal Control Issues

- 6.1 The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains an effective framework of financial administration and internal financial control.
- 6.2 The Council exercises strong governance with objectives. The Council places emphasis upon transparency of its financial operations with detailed and up-to-date information on income and expenditure, accounts and budgets, procurement information, policies and procedures and operational structure on the Council's website.
- 6.3 The Council displays many examples of good financial practice and continues to prioritise the maintenance of a high standard of financial management and control. Appropriate formal Policies, Procedures and Protocols have been adopted by the Council and these provide a solid foundation for the continuing operation of strong financial administration.

### 7. Data Protection Compliance

- 7.1 The Council has fully complied with the Data Protection legislation which came into force in the United Kingdom on 25 May 2018 and keeps its compliance under regular review. The UK GDPR sets out the information you should supply and when individuals should be informed. The Parish Council has procedures in place to review the information it supplies about the processing of personal data and ensures that it is:
  - a) concise, transparent, intelligible and easily accessible;
  - b) written in clear and plain language, and
  - c) free of charge
- 7.2 Risks and all policies associated with Data Protection are reviewed on a regular basis.