

DUNCHIDEOCK PARISH COUNCIL

INTERNAL CONTROL POLICY 2019

1. SCOPE OF RESPONSIBILITY

1. Dunchideock 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.
2. 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

2. 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 who is the Responsible Financial Officer but the Councillors must ensure that they have an understanding of those controls and that they are operated effectively.

3. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL POLICY

3.1 The Council

- a. 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 minutes at the Council meetings and initials each page.
- b. Decisions are made in accordance with the Standing Orders and the Financial Regulations approved by the Council.
- c. At the council meeting in January the Council will:
 - Review the financial position
 - Consider the proposed budget
 - Set and approve the Precept for the next financial year
- d. At the council meeting every 2 months the Council will
 - Receive a Budget/Actual Expenditure Report
 - Receive a Bank Reconciliation approved by a non-signatory councillor
 - Receive the Bank Account balance
 - Receive and approve details of Expenditure and Income
 - Approve cheques and payments to be made
- e. Two councillors (out of 4 signatories) sign all cheques in the body of the Council meeting. The signatories also initial the cheque stubs. The Chairman ensures that the cheque agrees with the amount of the invoice and the payee named on the invoice. The invoices are initialled and the cheque stubs are initialled at the agenda meeting with the clerk.
- f. The Clerk/RFO does not authorise payments.
- g. The council meets when required to consider the Clerk's salary and to review the Clerk's Job Description.

3.2 Clerk to the Council/Proper Officer/Responsible Financial Officer:

- a. The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator and as the Proper Officer. 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.
- b. The duties of the Clerk/Proper Officer/RFO are laid down in a Job Description which is reviewed from time to time.
- c. The RFO prepares the Annual Governance and Accountability Return and submits all the requested information to the Internal and External Auditor (if required) by the required date.
- d. The Clerk/RFO arranges for all agendas, minutes, audit information and the public notices to be displayed.
- e. The RFO retains all relevant documents relating to finances for 7 years (Annual Return, VAT Claims, PAYE/NIC information, Public Notices, Fixed Asset Register, Risk Assessments, Accounts and supporting information)

3.3 Internal Auditor

- a. The Council appoints an Independent Internal Auditor each year who reports to the Council on the adequacy of the following matters:

Internal Control	Reviews
Procedures	Regulations
Records	Risk Management

- b. The effectiveness of the internal audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor.
- c. The scope of the work of the Internal Auditor is reviewed annually and the review and the appointment are recorded in the minutes.
- d. The Internal Auditor inspects the accounts at the year end (prior to completion of the Annual Governance and Accountability Return Sections 1 and 2) and completes page 4 of the Return.
- e. The findings of the Internal Auditor are sent to all Councillors for review at the next Council meeting.

3.4 External Audit:

- a. The Council applies for an exemption certificate and submits the Contact form and signed Exemption Certificate to the external auditor.

4. REVIEW OF EFFECTIVENESS

- 1. The Council conducts an annual review of the effectiveness of the system of internal control.