

# **Cholsey Parish Council**

## **INTERNAL CONTROLS POLICY**

### **1. Scope of Responsibility**

Cholsey Parish Council (the 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.

### **2. The Purpose of Internal Control**

The Council's internal control procedures are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively.

### **3. The Internal Control Environment**

#### **3.1. The Council**

- 3.1.1. The Council has appointed a Chair who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful, and in accordance with the Council's Standing Orders and Financial Regulations.
- 3.1.2. The Council reviews its obligations and objectives prior to approving the budget for the following year at its December meeting. The January meeting of the Council approves Precept for the following financial year.
- 3.1.3. The Council has appointed a Finance Committee to monitor financial matters including budgets, risk assessments, financial systems and procedures, and to report to full Council.
- 3.1.4. The Council maintains a Scheme of Delegation.
- 3.1.5. The full Council normally meets monthly and monitors progress against its aims and objectives at each meeting by receiving relevant reports from Officers and Councillor Leads.
- 3.1.6. The Council carries out regular reviews of its internal controls, systems and procedures.

#### **3.2. The Proper Officer/Clerk and the Responsible Financial Officer**

- 3.2.1. The Council has appointed a Proper Officer/Clerk to the Council who acts as the Council's advisor and administrator. The Council has also appointed a Responsible Financial Officer (RFO) who 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 and the RFO ensure that the Council's financial procedures, control systems and policies are adhered to.

- 3.2.2. The duties of the Clerk and the RFO are laid out in job descriptions which are reviewed from time to time by the Staffing Committee.
- 3.2.3. All Council employees report to and work under the direction and authority of the Clerk.

### **3.3. Risk Assessments and Risk Management**

- 3.3.1. The Council carries out regular risk assessments of its activities, assets and estate, and regularly reviews its procedures and controls.

### **3.4. Internal Audit**

- 3.4.1. The Council appoints a qualified independent Internal Auditor for the financial year who will report to the Council on the adequacy of its records, procedures, systems, internal controls and risk management. An interim internal audit is conducted in the autumn to help prepare for the year-end internal audit. The effectiveness of the internal audit is reviewed annually.

### **3.5. External Audit**

- 3.5.1. The Council has been appointed the External Auditor Moore until further notice. Following completion of the External Audit the annual Certificate of Audit is provided, which is presented to the Council.

## **4. Financial and Accounting Procedures**

- 4.1. Payments: All payments are reported to the relevant level of authority for approval. A member of the Committee must authorise all payments. All payments are listed in a Payments report and approved at each meeting of the full Council. The Payments report is included in the meeting minutes.
- 4.2. Internet Banking: Payments are raised by the RFO or Clerk and authorised by one Councillor signatory.
- 4.3. Invoicing: Invoices are raised based on the approved fees and charges in effect at the time. The Parish Council will review these annually before the start of the next financial year. All invoices have payment terms of not more than 30 days. All income received is reported to the next meeting of full Council.
- 4.4. Cash and cheque handling/security: The RFO will receive all income. Cash is not handled. All cheques are kept safely in a locked place and are periodically banked.
- 4.5. Salaries and other staff payments: Salaries and other staff payments are made by no later than the 25th of each month by BACS. Payments are made on the basis of information agreed and reviewed from time to time by the Parish Council. Supplementary payments for additional hours worked by staff must be agreed in advance with the Clerk and Chair as appropriate. Mileage and any other expenses are reimbursed in accordance with MAP Government guidelines and subject to receiving appropriate receipts.

- 4.6. VAT: The accounting software separates VAT amounts for relevant invoices. VAT is reclaimed quarterly by the RFO.
- 4.7. Budgetary Control: Each month the RFO reconciles statements of the Parish Council's cash book with copies of the relevant bank statements. All invoices for payment are printed and filed. Quarterly bank reconciliation reports are signed by two Councillors who are not a signatory or Finance Committee member. The Finance Committee receives a budget report at each quarterly meeting. The Finance Committee meets in November to review the year's accounts to date and a draft budget for the next financial year for presentation to the December full Council meeting. At that meeting, the Council discusses the draft budget, and a final budget is then prepared so that the Precept for the next financial year can be approved at the January full Council meeting.
- 4.8. Procurement: Financial Regulations provide a framework and set procedures for dealing with contracts of certain values. The Clerk is authorised to approve payments up to a value of £500 for the day-to-day operational work of the Council within agreed budgets. The Clerk may approve expenditure on behalf of the Council which is necessary for the purposes of any repair, replacement or other work of an urgent nature, whether or not budgetary provision exists for such expenditure, up to a limit of £500. The Clerk shall report the action to Council or the appropriate Committee at the next available meeting.

## **5. Review**

This document was approved for use at the meeting of the Parish Council on 21st May 2025, and shall be reviewed annually.

Signed:

Dated:

Chair, Cholsey Parish Council