

# UPPER SHERINGHAM PARISH COUNCIL

## FINANCE

### INTERNAL CONTROL POLICY

#### **Responsibility**

The Accounts and Audit Regulations 2015 state that a Council shall be 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 risk management.

#### **Purpose**

Internal control is designed to reduce financial risk to the Council, ensuring activities are carried out properly and as intended. Controls include checking of routine financial procedures, examination of financial comparisons, recording of assets and liabilities, identification of risk and effective management of said risks.

#### **Personnel**

The Council appoints a Chairman who is responsible for the smooth running of meetings, ensuring Council's decisions are lawful and the Chair signs the minutes. Council decisions should be within Standing Orders and Financial Regulations as approved by the Council.

The Council approves budgets in November and agrees the level of precept.

The Council receives a regular financial statement at each meeting.

Two Councillors must sign internet bank print-out sheets or cheques and initial the invoice ensuring the amount and the payee agrees with the invoice. Payments should be authorised by a resolution proposed and seconded at meetings.

The Clerk is the Council's responsible financial officer (RFO) responsible for administering the Council's finance in compliance with laws and regulations.

The RFO ensures procedures, control systems and policies are maintained.

The RFO submits all requested information to the Internal Auditor and the External Auditor by the required date and arranges for public notices to be displayed.

The RFO retains all relevant documents (Annual Return, VAT Return, PAYE Information, Asset Register, Risk Assessments and supporting information).

#### **Internal Checks/Auditor**

A nominated non-signatory will check all payments against bank statements.

An independent Internal Auditor (IA) to be appointed by the Council, with the appointment being minuted and effectiveness reviewed annually. The IA should be advised on the scope of the work and inspect the accounts at the year end prior to completion of the Annual Governance and Accountability Return. A report from the IA should be an agenda item with any report or recommendation being minuted.

#### **External Audit**

The external auditor is PKF Littlejohn, appointed by the Smaller Authorities Audit Appointments to audit the accounts annually and submit a report to the Council. If an exemption certificate is submitted actions as per the Local Transparency Code 2015 should be taken to publish financial information on the Council's website.

Any issues raised by the External Auditors report should be actioned.

#### **Review of Effectiveness**

The Council should review regularly the effectiveness of Internal Controls and annually the effectiveness of the Internal Auditor.

June 2012. Reviewed August 2018. Reviewed July 2022. Reviewed March 2024

