



Internal Financial Control Policy

Scope of Responsibility

Wendover Parish Council is a Local Authority funded largely by public money. It is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, 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. The Council is required, by regulation 6.1 of the Accounts and Audit Regulations 2015, to review each financial year the effectiveness of its system of financial control.

The Purpose of the System of Internal Control

The system of internal control is 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 the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. An internal control checklist has been in place at the Council for the year ended 31 March 2023 and accords with proper practises.

The Internal Control Environment

The Council

- The Council will follow the model financial regulations as set out by the National Association of Local Councils and adopted by the Council. The main areas of internal control are:
 - Councillors will never sign blank cheques. Of the authorised signatories; compliance will be with any 2 signatories, with the Clerk/RFO being a signatory.
 - Online banking payments procedure to be carried out in line with the Financial Regulations.
 - The Clerk/RFO will prepare a schedule of payments requiring authorisation and together with the relevant invoices it will be presented at the Full Council meeting. The approved schedule will be signed by two signatories. The detailed list of all payments will be disclosed as an attachment to the minutes of the meeting at which payment was authorised.
 - The Council will seek to minimise cash transactions and any petty cash
 - The annual budget will be set annually by Council ahead of an application for the precept. The budget will be kept under review at Full Council and the Estates/Finance Committee.
 - The Clerk will be the Responsible Financial Officer and will administer the accounts in a proper manner ensuring correct records and internal and external audits are completed.
 - Council will use an internal control checklist signed by the designated councillors – normally the Chair of Council and the Chair of Finance.
 - An independent Internal Auditor is appointed by the Council. The Council will take note of any recommendations to ensure correct standards of accounting are maintained.
 - The Council has adopted Financial Regulations which set parameters for the Council's financial operations.
- Other areas of Control are as follows:



- 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 its Standing Orders and Financial Regulations.
- The Council meets twelve times per year to monitor and review its obligations, aims and objectives, and receive reports from the Clerk/RFO, committees and members of the Council.
- The Council has appointed Committees who monitor progress against objectives and budgets.
- The Finance Committee monitors financial systems and procedures, budgetary control and regularly reviews financial matters.
- The Council met in December to approve the budget and precept for the coming year 2023/24.
- The Council carries out regular reviews of its internal controls, systems and procedures.
- Payroll is initiated by the Clerk/RFO and calculated by an external payroll provider this is then checked by the Council and Clerk/RFO.
- Banking services are provided by Lloyds and we have a deposit account with Flagstone.
- The Council uses a computerised accounting system, Rialtas, to complete the management accounts and financial returns for the Council.

Clerk to the Council / Responsible Financial Officer

The Council has appointed a Clerk to the Council who acts as the Council's advisor and manager and Responsible Financial Officer.

The Clerk is responsible for advising on the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

Payments

All expenditure (the incurring of costs) must be authorised by the Council, or by a committee having delegated authority, or (in accordance with the Financial Regulations) by other delegated authority.

All payments from the Council's banks accounts are only to be made with dual authorisation, either by two signatures on cheques, or by dual authorisation of online payments.

All payments are reported to the Council. The RFO is responsible for checking the legality of each payment and that payments are within the powers of the Council prior to presentation to the Council.

Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls. The insurance cover is regularly reviewed to ensure the correct level of cover has been provided.

Assets and property

The Council maintains an asset register and notes any disposals or acquisitions throughout the year. The streetlights are checked annually by an external contractor and the Estates and Events Manager does an annual inspection of all other assets in June.

The properties are inspected on a monthly basis and any maintenance required noted in these reports. The play equipment is checked weekly – again any maintenance required and risk level noted in these reports



Internal Auditor

The Council has appointed IAC Audit and Consultancy Ltd, as Independent Internal Auditor who reports to the Council on the adequacy of:

- records
- procedures
- systems of internal control
- regulations
- risk management
- governance processes

The effectiveness of internal audit is reviewed annually by the Council.

External Auditor

The Council's external auditors (PKF Littlejohn), appointed by SAAA Ltd submit an annual certificate of audit which is presented to the Council.

Professional Advice

Additionally, the Council seeks and receives appropriate property, legal, insurance, VAT, human resources and health & safety advice as appropriate to manage risk.

Review of Effectiveness

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

- The full Council
- The work of officers reporting to the Council and its committees
- The Clerk and Responsible Finance Officer to the Council who are responsible for the development and maintenance of the internal control environment and managing risk.
- The Independent Internal Auditor who reviews the Council's system of internal control and reports to the Council.
- The Council's External Auditor who makes a final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman, the Town Clerk and the Internal Auditor. An Audit Certificate is issued.
- The number of significant issues that are raised during the year



Appendix - Regulation 6 of the Accounts and Audit Regulations 2015

Status: This is the original version (as it was originally made).

STATUTORY INSTRUMENTS

2015 No. 234

The Accounts and Audit Regulations 2015

PART 2

Internal control

Review of internal control system

- 6.—(1) A relevant authority must, each financial year—
- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an annual governance statement;
- (2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—
- (a) consider the findings of the review required by paragraph (1)(a)—
 - (i) by a committee; or
 - (ii) by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—
 - (i) a committee; or
 - (ii) members of the authority meeting as a whole.
- (3) If the relevant authority referred to in paragraph (1) is a Category 2 authority, following the review it must—
- (a) consider the findings of the review by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of members of the authority meeting as a whole.
- (4) The annual governance statement, referred to in paragraph (1)(b) must be—
- (a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and
 - (b) prepared in accordance with proper practices in relation to accounts⁽¹⁾.

(1) See section 21 of the Local Government Act 2003 (c.26) for the definition of “proper practices in relation to accounts”.