

# **HARVINGTON PARISH COUNCIL**

## **Internal Controls Policy**

### **RESPONSIBILITY**

Harvinton Parish Council is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively. Overall the Council is also responsible for ensuring there is a sound system of internal control which delivers the effective exercise of the Council's functions, to include arrangements for the management of risk.

This policy should be read in conjunction with the Council's Standing Orders, the Council's Financial Regulations Policy and the Practitioners' Guide.

### **PURPOSE OF INTERNAL CONTROLS SYSTEM**

The Internal Control System is designed to manage risk to a reasonable level rather than eliminate all risk. It cannot provide an absolute assurance of effectiveness. The system is based on an ongoing process to identify risks to achieve the Council's policies, aims and objectives to evaluate the likelihood of those risks being realised and to manage them effectively, efficiently and economically.

### **INTERNAL CONTROL.**

#### **The Council:**

- Has appointed a Chairman responsible for the smooth running of meetings.
- Meets at least 4 times a year, including the annual meeting in May.
- Approves budgets for the following year at its December/January meeting.
- The January meeting of the Council approves the level of Precept for the following financial year.
- Monitors at each meeting the actual expenditure against budget, with revised forecast for the end of the year.
- Appoint and reviews the work of the Internal Auditor.

#### **The Clerk/RFO:**

- Is responsible for administrating the Council's finances.
- Is responsible for the day to day compliance with the law and regulations that the Council is subject to and for managing risks.
- Ensures that the Council's procedures, control systems and policies are adhered to.

#### **Payments:**

All payments are reported to each meeting of the Parish Council. Two members of the bank signatories must authorise every cheque or payment after review of the accompanying invoice; payments made through the online banking system will be entered onto the system by the Clerk/RFO and then approved by two of the authorised members who have had sight of the accompanying invoices.

### **Risk Assessments/Risk Management.**

The Council carries out a risk assessment in respect of actions and regularly reviews its systems and controls.

### **Internal Audit:**

The Council appoints an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal Controls
- Regulations
- Risk Management
- Reviews

The effectiveness of the independent audit is reviewed annually.

### **External Audit:**

The Council's External auditors are appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) and submit an Annual Certificate of Audit, which is reported to Council.

### **REVIEW OF EFFECTIVENESS:**

The Council is responsible 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 work of:

- The Full Council
- The Finance & General Purposes Group and Staffing Committee.
- The Clerk/RFO, who has the responsibility for the development and maintenance of the internal control environment and managing risks.
- The Independent Internal Auditor, who makes the final check using the Annual return and issues an annual audit report (part 3 of the Annual Governance and Accountability Return).

Any issues in regard to the effectiveness of the system of internal control will be addressed and action taken if deemed appropriate.

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Recommending Committee: Finance & General Purposes Group

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