



INTERNAL CONTROLS PROCEDURE

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This Policy will be reviewed by the council annually.

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SCOPE OF RESPONSIBILITY

Great Horkesley 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 includes arrangements for the management of risk.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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.

SPECIFIC RESPONSIBILITIES

Under the Accounts and Audits Regulations 2011, it is the Responsible Financial Officer's (RFO's) responsibility to ensure that the Council's day-to-day finances are run properly, but it falls to Council members to exercise a proper and reasonable degree of control over financial matters.

The Council

The Council reviews its procedures and the effectiveness of its system of internal control annually. The Council monitors progress at its meetings by receiving monthly statements of account from the Clerk and quarterly reports from the Finance Committee. At least once every quarter, a member, other than the Chairman or a cheque signatory, verifies the bank reconciliations produced by the RFO at a meeting of the council.

The Finance Committee

The Finance Committee checks that ongoing expenditure is broadly in line with budgets and that payments are properly authorised. The Finance Committee monitors the Council's financial progress in more detail at its meetings by receiving and considering relevant quarterly financial reports from the Clerk.

The Clerk/Responsible Financial Officer

The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's day-to-day finances and ensuring the Council is compliant with laws and regulations and that the Council's procedures, control systems and policies are adhered to. The Clerk/RFO completes all reports and related documents contained in the Annual Return.

PAYMENT PROCEDURES

Invoices & Staff Salaries

Paper or electronic copies of all invoices received shall be held by the Clerk. All copies will be disposed of in accordance with the Council's Document Retention & Disposal Policy.

To ensure invoices and salaries are paid in a timely manner, the Clerk shall enter payments to be made on the Council's online bank account and email councillors a link to view the invoice or staff salary spreadsheet in the cloud, so they are able to check it prior to authorising the payment. Links will expire after five days.

Two councillors that are listed as signatories on the Council's bank mandate, shall log on to the online bank account and authorise the payment.

Councillors must not authorise any payments to themselves, or any payment relating to an item or payee which they have previously declared an interest in.

A list of due payments (which arise on a regular basis as the result of a continuing contract or statutory duty) for the financial year ahead shall be presented to the Council at the April meeting for approval.

At the monthly meetings of the Council, a payment schedule of all payments made in the previous month shall be presented to the Council (this may include unexpected urgent payments that were made, to be approved retrospectively).

At least quarterly, at a meeting of the Council, one councillor that is **not** an authorised signatory on the Council's bank accounts will check that the balances stated on the most recent bank statement reconcile with those on the Clerk's monthly statement of accounts.

The Council shall not make payments by cash.

Village Hall Retainer Refunds

When a one-off booking is made to hire the Village Hall, a damages retainer is paid by the hirer in accordance with the Village Hall Conditions of Hire. The retainer is to be returned to the hirer within 14 days of the hire, less any deductions for breakages, damage or the cost of extra cleaning.

Once the Village Hall Caretaker has confirmed there were no breakages or damage caused, the Village Hall Bookings Manager shall check bank account details with the one-off hirer and enter the retainer to be refunded as a payment on the Council's online bank account. The invoice number of the original booking is used as the reference.

Two councillors, that are listed as signatories on the Council's bank account, shall then log on to their online bank account to check and authorise the payments to be refunded.

Expenses

Where expenses are incurred by a member of staff or a member of the council, a receipt shall be given to the Clerk. The Clerk shall then process this payment in the same way that invoices are paid above.

RECORDING

All payments and income shall be recorded in the cashbook to ensure proper management of the Council's finances. The Council use Rialtas Business Solutions Alpha accounting software.

INTERNAL AUDIT

The internal audit shall be carried out once per year by an independent and competent internal auditor appointed by the Council. The internal auditor will provide a full report of their findings and complete the relevant section of the Annual Governance and Accountability Return (AGAR).

EXTERNAL AUDIT

Smaller Authorities' Audit Appointments Ltd (SAAA) appointed PKF Littlejohn LLP as the external auditor for local councils in Essex for 5 years from 2022/23. The external auditor carries out a limited assurance review following submission of the AGAR by the Council. The signed AGAR must be returned by 30th September for publication by the Council.

RISK ASSESSMENTS & RISK MANAGEMENT

The Council carries out regular risk assessments in respect of its activities and regularly reviews its systems and controls. Risk assessments are reviewed annually, or earlier if necessary.

REVIEW OF EFFECTIVENESS

In accordance with Regulation 4 of the 2011 Regulations, the Council has responsibility for conducting an annual review of the effectiveness of the system of internal controls. As such, this procedure will be reviewed on an annual basis.

These internal controls must be used in conjunction with the Parish Council's Financial Regulations.