Hambledon Parish Council Internal Control Policy

1. Scope of responsibility

Hambledon Parish 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.

2. The purpose of the system of internal control

The system of internal control is designed to ensure that the activities of the council are carried out properly and as intended. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, effectively and economically.

3. Personnel involved with the internal control environment

3.1 The council:

- Has appointed a Chairman who is responsible for the smooth running of meetings.
- Meets at least four times each year, including an annual meeting in May.
- Approves budgets for the following year at its December/January meeting from which the Council approves the level of precept for the following financial year.
- Regularly monitors, the budget with a forecast for the end of the year, revised as necessary.
- Appoints and reviews the work of the Internal Auditor.

3.2 Clerk/Proper Officer/Responsible Finance Officer:

- The council has appointed a clerk, the Proper Officer and Responsible Finance Officer, whom advises the council, and whom administers the affairs of the council.
- 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 also ensures that the procedures of the council, systems of control, and policies are maintained.

3.3 Internal auditor:

The council has appointed an independent internal auditor and will report to the council on the adequacy of its:

- Proper bookkeeping arrangements
- Corporate governance, financial regulations and risk management procedures
- Payment and salary procedures
- Budgetary control
- Asset registers
- Bank reconciliation and end of year procedures

The council appoints the independent internal auditor on an annual basis. The internal auditor, who is competent and independent, is advised of the scope of the work required by the council.

Payments
All payments are reported to each meeting of the Parish Council. Two members of the approved bank signatories must authorise every cheque 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 authorised members having 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.
The council annually reviews and agrees to its Operational Risk Assessment.

4. Review of effectiveness:
The council has responsibility for conducting an annual review of the effectiveness of internal control. The review of the effectiveness of internal control is conducted through the work, issues and recommendations identified by:

The Council – identification of new activities.
Clerk/RFO – responsible for the development and maintenance of the internal control environment and managing risks.
Independent internal auditor – reviews the council's system of internal control.
External auditor - (if external audit).