



# Long Stratton Town Council

Pavilion, Manor Rd Playing Fields, Long Stratton, Norwich NR15 2XR

Chairman: Mr Kevin Worsley. Clerk: Mrs B Buck

Tel: 01508 530524 Email: [clerk@longstrattoncouncil.info](mailto:clerk@longstrattoncouncil.info)

Website: [www.longstrattoncouncil.info](http://www.longstrattoncouncil.info)

## INTERNAL CONTROL POLICY

### 1. SCOPE OF RESPONSIBILITY

Long Stratton Town 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 which includes arrangements for the management of risk.

### 2. 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.

### 3. THE INTERNAL CONTROL ENVIRONMENT

The Council has appointed a Chairman, who is responsible for the smooth running of meetings. The chairman ensures the meetings run lawfully and signs all pages of the minutes.

Decisions are made within the Standing Orders and Financial regulations which are approved by the town council and last reviewed in February 2020

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. 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 Council's procedures, control systems and policies are adhered to. The full duties of the Clerk and RFO are laid down in a Job description.

The Council reviews its obligations and objectives and approves budgets for the following year at its December meeting. The December or January meeting of the Council approves the level of precept for the following financial year.

The Full Council meets at least 10 times each year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from the Town Clerk.

The Council carries out regular reviews of its internal controls, systems and procedures.

Payments; all payments are reported to the Council for noting/ approval in guidance with Financial regulations. Two Members of the Council must authorise every cheque. Digital payments must be



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input by the RFO and authorised by Two signatories. Invoices are checked by the clerk and signed by both signatories.

Risk Assessments/Risk Management: The council carries out regular risk assessments in respect of actions and regularly reviews its systems and controls.

Internal Audit: The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Records,
- Procedures,
- Systems,
- Internal Control,
- Regulations,
- Risk Management and Reviews

The Council carries out an annual review of the effectiveness of its system of internal audit.

External Audit: The Council's External Auditors, (PKF Littlejohn) submit an annual Certificate of Audit, which is presented to the Council for display.

### **3. 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 work of:

- The full Council
- The Clerk to the Council/Responsible Financial Officer who has responsibility for the development and maintenance of the internal control environment and managing risks;
- The Independent Internal Auditor who reviews the Council's system of internal control;
- The Council's External auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor.
- The number of significant issues that are raised during the year.

### **4. SIGNIFICANT INTERNAL CONTROL ISSUES**

To prevent significant internal control issues the following was put in place

- An accounts package was use to enable the accounts to be managed efficiently
- The bank signatories were increased.
- The Finance Committee will meet a minimum of 4 times per year where scrutiny of all matter financial will be scrutinised.



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The following recommendations are made

- That the council consider appointing an internal control officer to carry out quarterly checks. The internal control officer must not be a signatory of the bank accounts and must be a member of the Council. The officer will be appointed at the Annual Town Council meeting or as soon as is appropriate.
- The checks should cover all financial activities of the Town Council over the financial year on a sample basis. Payments should be checked by
  - Account total correct and accompanied by appropriate invoice/ authorisation and abides by legislation rules on what a council can spend on 'Power to Spend'
  - Voucher countersigned by 2 signatories
  - Full payment list has been disclosed accurately to CouncilReceipts should be checked by
  - Amount entered is correct
  - Amount has been banked promptly
  - Receipts list has been disclosed accurately to Council
- The Internal Control officer will
  - Have viewing access to the online bank accounts
  - Write a short report to confirm findings to Council
  - Can make recommendations where appropriate for Full Council consideration.

Signed

...R Buck ..... Town Clerk/ RFO

...K Worsley..... Chairman

DATE 14.09.2020