

**NYTHE ELDENE LIDEN
PARISH COUNCIL**

**INTERNAL CONTROLS
POLICY**

Adopted 12 May 2017

SCOPE OF RESPONSIBILITY

Nythe Eldene Liden 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.

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 PURPOSE OF THE SYSTEM OF INTERNAL CONTROLS

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

THE INTERNAL CONTROL ENVIRONMENT

The Council:

- Has appointed a Chairman who is responsible for the smooth running of meetings.
- Approves budgets for the following year at its December/January meeting. The December/January meeting of the Council approves the level of Precept for the following financial year.
- Monitors the expenditure against budget with a forecast at each meeting.
- Appoints and reviews the work of the Internal Auditor.

The Clerk to the Council/RFO:

- The Clerk/ RFO is responsible for administering the Council's finances.
- The Clerk is responsible for the day to day compliance with the law 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.

Payments:

- All payments are prepared in a payment schedule and are sent for approval before payment. Five members of the Council must authorise every cheque/ Bank transfer before payment is made.

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 has appointed 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 internal audit is reviewed annually.

External Audit:

The Council's External auditors submit an annual Certificate of Audit, which is reported by the Council.

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 independent Internal Auditor who reviews the Council's system of internal control
- The Council's External Auditors, who makes the final check using the Annual Return, and issues an annual audit report.
- The number of significant issues that are raised during the year.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.