

## INTERNAL CONTROL POLICY

## HIGH ONGAR PARISH COUNCIL

<b>This is the statement of general policy and arrangements for:</b>	High Ongar Parish Council
<b>Overall and final responsibility for Internal Control is that of:</b>	High Ongar Parish Council
<b>Day to day responsibility for ensuring this policy is put into practice is delegated to:</b>	Parish Clerk

### Scope of Responsibility

The Accounts and Audit Regulations 2003 states that a Parish Council shall be responsible for ensuring that its financial management is adequate and effective and that it has 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.

High Ongar 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 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

Internal control is designed to reduce financial risk to the Council The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. The Council must ensure that it has a degree of control and understanding of those controls.

Controls will include the checking of routine financial procedures, the examination of financial comparisons, the recording of assets and liabilities, the identification and management of risk, effectively, efficiently and economically.

### Internal Control Mechanisms

#### The Council:

- Has appointed a Chairman who is responsible for the smooth running of meetings, signs the last page of the minutes, and initials all other pages.
- Makes decisions within the remit of the Standing Orders and Financial Regulations laid down and approved by the Council.
- Approves the budget 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 within timescales set down by Epping Forest District Council.
- The Council receives a quarterly financial statement, which includes bank reconciliations and a budget/expenditure report, which it approves at its Council meetings.

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- Ensures that payments are made in accordance with Standing Orders and Financial Regulations.
- Appoints and reviews the work of the Internal Auditor.

### Payment Procedures:

- All payments are recorded on the agenda of the meeting where the payments are authorised. Any payments made between meetings are reported to the next Council meeting via the agenda for retrospective agreement.
- Two signatory Councillors must sign all cheques, and their stubs, and authorise all online banking payments.

### Cheque Payment Procedure:

- The Clerk/RFO writes the cheques prior to the meeting.
- Two signatory Councillors check the details written on the cheque against the payment list on the agenda and the invoice, and ensure all details agree.
- The cheque is then signed, and the cheque stub initialled by both Councillors.

### Online banking procedure:

- The Clerk/RFO, as administrator, sets up all payments on the online bank account.
- At the meeting, two signatory Councillors check each invoice against the payment list and initial the invoice.
- Two signatory Councillors then individually access the online banking system, check the entries against the payments list on the agenda and then authorise.
- Once both Councillors have authorised, the payment is automatically sent.

### The Clerk to the Council/Responsible Financial Officer:

The Clerk to the Council is also the Responsible Financial Officer, who acts as the Council's advisor and administrator and is responsible for:

- Administering the Council's finances.
- The day-to-day compliance with laws and regulations that the Council is subject to, and the management of risks.
- Ensuring that the Council's procedures, control systems and policies are maintained.
- Submitting all requested information to the Internal and External Auditor by the required dates and arranges for the public notices to be displayed.

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- Retaining all relevant documents relating to the financial year for the legally required amount of time (Annual Return, VAT returns, PAYE/NIC information, Asset Register, Risk Assessments, accounts, as required).

### Risk Assessments/ Risk Management:

The council carries out risk assessments in respect of actions and regularly reviews its systems and controls.

### Internal Audit:

The council has appointed an independent Internal Auditor who will report to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal controls
- Regulations
- Risk management

The effectiveness of the internal audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor.

The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council. The scope of the work (and the charge) of the Internal Auditor is reviewed annually and the review and the appointment is minuted. The Internal Auditor will inspect the accounts at the year-end and will complete page five of the Annual Return. The Internal Auditor will write a separate report to the Council detailing the audit and any findings they might have. The Internal Audit is reported to the next available Council meeting and any recommendations are agreed and implemented.

### External Audit:

Following the submission of the Annual Return, the Council's External auditors return their certificate and report, which is reported to the next available Parish Council meeting. Any recommendations are agreed and implemented.

### **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:

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- The Full Council
- The Parish Clerk/RFO
- The independent Internal Auditor
- The Council's External Auditor
- Any issues or concerns which are raised during the year.

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

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<b>Signed by the Chair of High Ongar Parish Council</b>	<i>Toby Acton</i>
<b>Presiding at the Parish Council Meeting Dated</b>	2 <sup>nd</sup> July 2025

**Reviewed Annually**