ASHINGDON PARISH COUNCIL

Clerk to the Council: Mrs Kath Parkin
51 Rochford Graden Way
Rochford
Essex
SS4 1QH

Tel: 07950947731

Email: clerk@ashingdonparishcouncil.gov.uk

Internal Controls for Ashingdon Parish Council

1. Scope of Responsibility

Ashingdon 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.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk; reducing it 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 on-going 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. Responsibilities

3.1 The Council

The Council has appointed a Chairman who is responsible for the smooth running of its meetings and for assisting the Clerk to ensure that all Council decisions are lawful. The Council reviews its obligations and objectives, budgets and the level of precept required for the following year at a dedicated special Council meeting in November of each year. The precept figure is confirmed at the January Parish Council meeting. The Council monitors progress against its aims and objectives at its meetings by receiving relevant quarterly financial reports from the Parish Clerk in January, March, June and September. The Council reviews its internal controls, systems and procedures once a year with quarterly inspections being carried out by Councillors on a rotation basis.

3.2 **The Clerk/Responsible Financial Officer**

The Council has appointed a Clerk of 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.

4. Procedures

4.1 Payment Procedures

4.2 All invoices shall be received and retained by the Clerk (RFO).

4.3 Invoices and a payment schedule listing all invoices due for payment shall be presented at each meeting of the Parish Council for approval. The schedule shall detail the supplier, description, and amount payable.

4.5 Payments shall not be processed until formally approved by resolution of the Parish Council.

4.6 Approval shall be evidenced by the minute reference recording the resolution, and the payment schedule being signed by two members of the Council.
The signed payment schedule shall be retained as part of the audit trail.

4.7 Should an invoice require payment prior to the next meeting; the Parish Clerk will ensure that the expenditure meets the criteria detailed within the financial regulations and arrange payment. The expenditure will be reported at the next Parish Council meeting

5 Cheque Payments

5.1 Once the above controls have been completed, the cheque can be signed by two of the authorised signatories.

5.2 The cheque stub will be initialled by each signatory.

6 Internet Banking Payments

6.1 Following approval of the payment schedule by the Parish Council, the Clerk (RFO) shall raise the approved payments on the internet banking system.

6.2 Internet banking transactions shall be authorised in accordance with the bank mandate, which requires two authorised signatories.

6.3 One authorisation may be provided by the Clerk (RFO). The second authorisation must be provided by an approved Parish Councillor who logs in independently to authorise the transaction.

6.5 Evidence of payment and bank authorisation shall be retained and reconciled to the signed payment schedule to provide a clear and complete audit trail.

7 Income Procedures

7.1 Demands for payment shall be issued within 2 weeks of the supply.

7.2 All income shall be banked within 1 week of receipt.

8 Recording

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

9. Bank Reconciliations

9.1 Bank reconciliations will be verified at each Parish Council meeting, supported by the appropriate bank statement, cash book, and list of cleared and outstanding payments as an internal method of control.

10. 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 findings and complete the relevant section of the Annual Governance and Accountability Return (AGAR).

11 External Audit

Under the Local Audit and Accountability Act 2014, Smaller Authorities' Audit Appointments Ltd (SAAA) appointed PKF Littlejohn LLP as the external auditor for local Councils in Essex for 5 years from 2017/2018. The external auditor carries out a limited assurance review following submission of the AGAR by the Council. The signed AGAR must be returned by the 30th September for publication by the Council.

12 Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of its activities and regularly reviews its system and controls. Risk Assessments are reviewed at least annually and when any situations change within the Council.

13 Review of Effectiveness

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control and as such, this procedure will be reviewed on a half yearly basis. These internal controls must be used in conjunction with the Parish Council's Financial Regulations.

These internal controls shall be reviewed annualy.

Date approved : 14th April 2025
Review date: 14th April 2026
Review Date: 2nd March 2026