

MADRON PARISH COUNCIL

Chairman: Councillor Mrs Clare Roberts

Internal Controls Policy

Madron Parish Council is responsible for ensuring its financial business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used efficiently.

In order to do this the council must ensure there is a sound internal control system in place which manages risk.

The council is governed by its financial regulations and standing orders which are reviewed annually. The internal auditor inspects the council annually to ensure the controls put in place are adhered to.

The parish council is a corporate body who is responsible for ensuring that internal controls are adhered to at all times.

Any items raised by the internal or external auditor would be brought before members who have the responsibility to act upon any recommendations.

Internal Control

- Internal control procedures allow risks to be managed whilst achieving the council's policies and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.
- Internal control is based on an ongoing process designed to change as the councils' functions change.
- Identifying and prioritising the risks to the achievement of the Council's policies, aims and objectives.
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and manage them efficiently, effectively and economically.
- The system of internal control is in accordance with the practices set out in the Joint Panel on Accountability and Governance; A Practitioners Guide (2022 edition).

Internal Control Environment

- Madron parish council has adopted financial regulations to set parameters for its financial operations which are reviewed annually.
- The Budget is set in November / December each year and reviews the council's objectives and aims through this process.
- Two councillors known as auditing councillors are appointed annually who carry out monthly checks on the cash book and bank reconciliation with a further audit every six months.
- Councillors review monthly reports from the clerk at each meeting to monitor financial situations and progress on projects and objectives.

Staff

- The council has appointed a clerk / Responsible finance officer who acts as an advisor and administrator to the council as a corporate body.
- The responsible finance officer is responsible for administering the council's financial systems and prepares budget monitoring for councillors on a monthly basis.
- The clerk / RFO ensures that the council is complying with the relevant law and legislation in all of the council's activities on a daily basis. This includes ensuring that policies and internal controls are adhered to.

Payments

- All payments are reported to the council at monthly meetings.
- As per the financial regulations and bank mandate two signatories are required for all payments.
- Where delegation permits, as per the Local Government Act 1972, s101(1a) and the Council's Financial Regulations, a report will be provided to the next full Council.

Risk assessments:

- The council has a financial risk assessment policy and non-financial risk assessment policy which is reviewed annually.
- The council has appropriate insurance which is reviewed annually to manage risk.

Internal Audit

- Auditing councillors carry out an audit every 6 months and findings are reported back to full council.
- The council employs an Internal Auditor who reviews all financial, administration and policies annually and submits a report to full council.

Risk Management:

- The Council maintains up to date risk assessments as appropriate, reviewing all documents at least annually, and regularly reviews its systems and controls.

External Audit

- Annually the council has an external audit carried out by an appointed external Auditor currently BDO. On completion of their audit the annual certificate of audit is presented to the council.

Review:

The Council has responsibility for conducting a review of the effectiveness of the system of internal control and internal audit process, which is monitored and informed by:

- the Council, the Clerk to the Council / Responsible Financial Officer, Councillors reporting to the Council as the 'body corporate', the independent Internal Auditor and External Auditors through the Annual Return.

Adopted: 11.05.2023

Reviewed: 15.05.25