

# Internal Control Policy

This policy focuses on the means by which the Council will address its responsibility for Internal Control.

## Scope of Responsibility

Hearon and Loscoe Town Council (the Town Council) is a local authority funded by public money and is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, used economically, efficiently, and effectively.

In meeting this responsibility assurance is required that there is a sound system of internal control and that the Council's accountability framework is 'risk based: proportionate to that risk and to the amounts of public money involved and the stakeholders' need for assurance.

## The Purpose of the System of Internal Control

The system of internal control is designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process design to identify and prioritise the risks to the authority's policies, aims and objectives and to evaluate and manage those risks accordingly.

## The Internal Control Environment

The Council:

- Appoint a Town Clerk. The Town Clerk is the Proper Officer providing guidance to Council and is responsible for the day to day management of staff and services, advising on compliance with laws and regulations, managing risks and ensures that Council adheres to its procedures, control systems and policies (Local Government Act 1972, Section 112)
- Appoint a Responsible Financial Officer. The Responsible Financial Officer (RFO) acts under the policy direction of the Council and effectively manages and monitors the Council's finances on a day to day basis, and ensures that its accounts and administrative procedures comply with the requirements of Accounts and Audit and other relevant regulations (Local Government Act 1972, Section 151)
- Appoints a Mayor to be responsible for the smooth running of meetings and ensuring that all Council decisions are lawful with the Clerk's advice
- Reviews its obligations and objectives and approves budgets for the following at a meeting held between November and January. This meeting also approves the level of precept for the following financial year
- All councils are required by law to meet on a minimum of four times per year, including the Annual meeting. Many councils will meet on more occasions than this and Hearon and Loscoe Town Council aspire to meet regularly throughout the year (between 8 – 12 times)

#### Finance:

- All staff have a contract of employment with clear terms and conditions
- Salaries are paid to agree with that approved by the Council
- Payroll is outsourced to D M Payroll Services
- Payments are reported to the Council for approval
- Receipts are reported to the Council
- Monthly Bank Reconciliations are reported to Council

#### Risk Assessments

- Are carried out in respect of actions, systems and controls are regularly reviewed

#### Internal Audit

- Is carried out by an Independent Auditor, who reports to the Council on the adequacy of its records, procedures, systems, internal controls, regulations, and risk management reviews

#### Standing Orders

- Have been adopted by the Council and are reviewed annually

#### Financial Regulations

- Have been adopted by the Council and are reviewed annually, or when a trigger for change necessitates

#### V.A.T.

- V.A.T. Payments are identified, recorded, and reclaimed on a 6 monthly basis

#### Asset Register

- The Council maintains a register of all material assets owned or in its care
- The Clerk to update as and when necessary and to be approved annually

#### Insurance

- The Council's insurance provision is reviewed at the end of each contract period both in relation to its schedule of cover and also its value for money

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