**SUTTON HEATH PARISH COUNCIL**

**Internal Control Policy**

**1. Scope of Responsibility**

Sutton Heath 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 parish council is also responsible for ensuring that there is a sound and positive system of internal control as required by Section 2 of the Annual return – Annual Governance Statement.

**2. The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk 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 ongoing process designed to identify and prioritise the risks to the achievement of the parish 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.

The parish council’s system of internal control accords with proper practice.

**3. The Internal Control Environment**

**The Parish Council:**

The parish council appoints a chairman who is responsible for the smooth running of meetings and for ensuring all council decisions are lawful.

The parish council reviews its obligations and objectives and approves budgets and precept for the following financial year at its January meeting.

The parish council meets six times a year and monitors progress against its aims and objectives at each meeting by receiving relevant reports from councillors and the parish clerk.

The parish council reviews its internal control systems, procedures and standing orders at its January meeting to enable amendments to be made and approved before the end of the financial year.

**Parish Clerk/Responsible Financial Officer:**

The parish council appoints a clerk to the council who is the council’s advisor and administrator. The parish clerk is the council’s Responsible Financial Officer and is responsible for administering the council’s finances. The parish clerk is responsible for the day to day compliance with laws and regulations that the council is subject to and for managing risks. The parish clerk also ensures that the council’s procedures, control systems and policies are adhered to.

**Payments:**

All payments are notified to the parish council for approval. Two appointed members of the council must sign every cheque, initial the cheque book stub and initial the relevant invoice. The chairman has the authority to authorise payment up to one hundred pounds (£100.00) on a single purchase outside of council meetings. Approval will be given retrospectively at the next council meeting.

**Income:**

All income is received and banked in the council’s name by the parish clerk within seven days. Notification of income is given by the parish clerk at the next council meeting. At the same time the parish clerk will present an accounts summary to councillors.

**Risk Assessment/Risk Management:**

The parish council maintains a Risk Register and will regularly review Risk Assessments, systems and controls.

**Internal Audit:**

The parish council appoints an independent internal auditor who submits a written report to the parish council on the effectiveness and adequacy of its records, procedures, systems, internal control, regulations and risk management. Parish accounts are audited as at 31 March each year.

**External Audit:**

NALC appoints national auditors to review town and parish accounts annually. The is known as the Annual Return. The present national auditor for external audits is PKF Littlejohn. Where the council is not exempt, the external auditor sends annual return documents to the parish council in March each year and the annual return has to be submitted to them in May and following the internal audit report.

**4. Review of Effectiveness**

The parish council has responsibility for conducting an annual review of the effectiveness of the system of internal control, including the internal audit. The results of this review are considered by the parish council, which also approves the Statement of Internal Control.

**5**. **Significant Internal Control Issues**

No significant issues were identified the internal audit or BDO for the financial year 2020-2021. Action has been taken to resolve issues raised.

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Chair Date

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Parish Clerk Date