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# OUNDLE TOWN COUNCIL

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## Internal Control Policy



Policy Adopted on ...15<sup>th</sup> February 2022. . . .

## 1. POLICY STATEMENT

Oundle Town Council are responsible for ensuring that its public business is conducted within the law and proper standards and that public money is used efficiently, economically and effectively.

In order to achieve this, the Council acknowledges that they are 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.

## 2. PURPOSE OF INTERNAL CONTROL

The Council's system of internal control is designed to ensure that their activities are carried out properly and as intended. They are set up by the Town Clerk, however it falls upon the Council members to ensure that they have a degree of control and that the effectiveness of the system is reviewed at least annually.

Current advice regarding these controls is set out in The Practitioners' Guide Governance and Accountability.

## 3. FINANCIAL ASSESSMENT

The Council will follow the model financial regulations as set out by the National Association of Local Councils and adopted by the Town Council. The main areas of internal control are:

- 3.1. Authorised signatories; compliance will be with any 3 signatories, with the Mayor and Clerk being two of the signatories whenever possible.
- 3.2. Online banking payments procedure to be carried out in line with Financial Regulation 6.
- 3.3. The Finance Officer will prepare a schedule of payments and circulate the list of payments and relevant invoices to the Verification Councillors to check prior to being presented at the Full Council meeting. The detailed list of all payments will be disclosed as an attachment to the minutes of the meeting at which payment was authorised.
- 3.4. The Council will not hold petty cash. Save as provided for in the Financial Regulations.
- 3.5. The Clerk will review the risk assessment for handling cash from the Markets on a regular basis.
- 3.6. The annual budget will be set annually ahead of an application for the precept. The budget will be kept under constant review at Full Council and the Finance and General Purpose Committee meetings.
- 3.7. The Clerk will be the Responsible Financial Officer and will, along with the Finance Officer, administer the accounts in a proper manner ensuring correct records and internal and external audits are completed.
- 3.8. Two councillors, who are authorised to view Unity Bank Online, but not authorised to make payments, will be elected at the Annual Meeting of the Town Council, as Verification Councillors and on a regular basis or at least every quarter will check the accounts and bank reconciliations with the Clerk and Finance Officer.
- 3.9. An independent Internal Auditor is appointed by NCALC and the Town Council will take note of any recommendations to ensure correct standards of accounting are maintained.
- 3.10. The External Auditors, currently PKF Littlejohn carry out the external audit for the Council.  
Any comments from the External Auditor will be adhered to.
- 3.11. The Council has a responsibility for conducting an annual review of the effectiveness of the system of Internal Control which is formed by:
  - The Full Council
  - The Finance and General Purpose Committee
  - The Town Clerk and Finance Officer
  - Verification Councillors
  - The Internal Auditor
  - The External Auditor

#### 4. STANDING ORDERS

The Town Council will abide by the model "Standing Orders" which has been adopted by the Council and supplied to all Councillors.

#### 5. INSURANCE

The Town Council will review its insurance policy annually at renewal to ensure adequate cover is in place. All new capital items are to be insured at time of purchase.

#### 6. RISK ASSESSMENT

The risk assessment of the Council's financial management is reviewed annually.

#### 7. TOWN COUNCILLORS will endeavour to work as a team and be aware of their responsibilities as to the law and proper Town Council procedures. Councillors will attend meetings regularly. They will be provided with a copy of "The Good Councillors Guide" and be familiar and endeavour to comply with appropriate legislation.

The Clerk will endeavour to see that the Town Council operates in accordance with the law and maintains the correct records as required by the law.

#### 8. COUNCIL COMMITTEES

The Council operate a Committee structure, using working parties to investigate specific issues.

There are four Committees each with an appointed Chairman who is responsible for the smooth running of the meetings.

The Finance and General Purposes Committee has a spending limit set by Financial Regulations

The Personnel Committee no spending powers

Estates Committee has a spending limit set by Financial Regulations

Planning Committee no spending powers

#### 9. ASSET REGISTER

The Town Council will maintain an Asset Register.

#### 10. DECLARATIONS OF INTEREST

Councillors will be asked, at the start of each meeting if they have any interests to declare, and if they do, it will be so minuted with the reason why. If the interest is a Disclosable Pecuniary Interest they will leave the meeting unless a Dispensation has been approved.

#### 11. PROPERTY

The Estate Management Committee will annually carry out a visual inspection to ensure all its property, and areas of responsibility, are in a good state of repair and order. The Clerk will ensure that the play and recreation areas are checked weekly in addition to the annual outside safety check.