



NORTH WALSHAM TOWN COUNCIL

Internal Control Policy

Adopted by the Finance Committee at its meeting held on 11.11.2024

1. SCOPE OF RESPONSIBILITY

North Walsham Town 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 which includes arrangements for the management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to ensure that the council's activities are carried out properly and as intended. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities; the identification of risk and 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. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

3.1 The Council:

The Council has appointed a Mayor who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. Decisions made should be within the Standing Orders and Financial Regulations laid down and approved by the Council. The Council reviews its obligations and objectives and approves budgets for the following year at its meetings during October to December. The November/December meeting of the Council approves the level of precept for the following financial year. The Council will receive reports and recommendations from the Finance Committee. The Council receives a monthly summary financial statement which it approves at its Council meetings. Payments are made in accordance with Standing Orders and Financial Regulations.

3.2 The Finance Committee:

The Council has appointed a Finance Committee who meet regularly they review the Internal Audit Report. They monitor progress against objectives, financial systems and procedures and budgetary control.

The Finance Committee will review annually the Financial Risk Assessment. The Finance Committee will make recommendations to the council regarding the appointment of an Internal Auditor.

3.3 Town Clerk/Responsible Finance Officer:

The Council has appointed a Town Clerk as the Council's advisor and administrator. The Town Clerk is also Responsible Finance Officer who is responsible for administering the Council's finances. The Town Clerk/RFO is responsible for the day-to-day compliance with laws and

regulations that the Council is subject to and for managing risks. The Town Clerk/ RFO also ensure that the Council's procedures, control systems and policies are maintained.

3.4 Internal Auditor:

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of it's:

- Proper bookkeeping arrangements
- Corporate governance, financial regulations and risk management procedures
- Payment, petty cash and salaries procedures
- Precept determination
- Budgetary control
- Income control
- Asset registers
- Investment and loans
- Bank reconciliation
- Financial statements

The Council appoints the Independent Internal Auditor on an annual basis. The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council.

4. Review of Effectiveness:

The Council has responsibility for conducting an annual review of the effectiveness of internal control. The review of the effectiveness of internal control is informed by the work and any issues identified by:

- Full Council – identification of new activities
- Finance Committee – report and recommendations
- Town Clerk/RFO has responsibility for the development and maintenance of the internal control environment and managing risks
- Independent Internal Auditor who reviews the Council's system of internal control. The Independent Internal Auditor will make written reports to the Council (in addition to the report contained in Section 4 of the Annual Governance and Accountability Return - AGAR)
- The Council's External Auditors, who make the final check using the Annual Return, a form completed and signed by the Responsible Finance Officer, the Town Clerk, the Mayor and the Internal Auditor. The External Auditor issues an annual audit certificate.