



# MELKSHAM WITHOUT PARISH COUNCIL

## Internal Control Policy

### 1. SCOPE OF RESPONSIBILITY

The Accounts and Audit Regulations 2005 states

A relevant authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievements of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk

Melksham Without Parish 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. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for establishing and maintaining appropriate risk management processes, governance arrangements, and control systems, (including operational procedures) which facilitate the effective exercise of its functions.

### 2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to managed risk to a reasonable level rather than to eliminate 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 Council's policies, aims and objections, to evaluate the like likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### 3. THE INTERNAL CONTROL ENVIRONMENT

The key elements of the Council's internal control environment include:

- Standing Orders and Financial Regulations, which establish arrangements for policy setting and decision making and the delegation of powers to members and officers under a committee structure.
- An established planning process, which sets clear objectives and targets and reconciles policy priorities with financial resources;
- The inclusion within the planning process of risk assessments and a clear statement of the ways in which identified risks will be managed;
- A system of regular monitoring and reporting of the Council's performance against its plans;
- Established budget setting and budgetary management systems, ensuring the economical, effective and efficient use of resources, and regular reporting of financial performance to officers and members;
- A structure of centrally monitored devolved financial management that promotes management of the Council's finances at the appropriate organisational level;
- Comprehensive codes of conduct for members and officers that set out clear expectations for standards of behaviour;
- Effective arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption;
- A well-regarded internal audit service that works with officers to assess and develop the control environment, and which supports management's assessment of compliance with established policies, procedures, laws and regulations. Reports of the Internal Auditor are submitted in full to the Full Council.
- The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are maintained.

### 4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control and the system of internal audit. The review of the effectiveness of the system of internal control is informed by the work of the internal auditor and managers within the Council, and also by comments made by the external auditors in their annual audit letter.

***Reviewed at Finance Committee 12<sup>th</sup> June 2023 (min.54/23cii) and recommended to be re-adopted. Approved by Full Council 19<sup>th</sup> June 2023.***

