DOCKING PARISH COUNCIL

INTERNAL CONTROLS POLICY AND STATEMENT

SCOPE OF RESPONSIBILITY

Docking 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, properly accounted for, and used economically, efficiently, and effectively.

The Council also ensures the existence of a robust system of internal control that supports the effective discharge of its functions, including appropriate risk management arrangements.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROLS

The internal control system is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure but provides reasonable assurance of effectiveness. Controls are based on continuous identification, evaluation, and mitigation of risks to the Council's operations and objectives.

THE INTERNAL CONTROL ENVIRONMENT

The Council:

- Has appointed a Chair to lead and facilitate meetings.
- Meets 11 times per year, monthly with an August recess.
- Holds an Annual Meeting in May, where all existing policies are reviewed and readopted.
- Approves the budget and precept annually at its December or January meeting.
- Monitors income, expenditure, and reconciliations monthly.
- Conducts a budget review quarterly.
- Appoints and receives reports from an independent Internal Auditor.
- Appoints an internal controls officer to independently monitor internal controls and produce a quarterly report.

The Clerk/RFO:

- Manages the day-to-day administration of the Council's finances.
- Ensures compliance with all relevant legislation, regulations, Standing Orders, and Financial Regulations.
- Maintains and implements the Council's internal financial controls and risk management measures.

Governing Documents:

- The Council has adopted Standing Orders and Financial Regulations based on the SLCC/NALC model templates, kept under regular review.

PAYMENT CONTROLS

- All payments are reported and authorised at Council meetings.
- Cheques are signed by two authorised councillors after reviewing the invoice.
- Online payments (BACS) are input by the Clerk/RFO and authorised by two councillors, each having had sight of the relevant invoices.
- Each transaction is recorded with a unique voucher number, cross-referenced to the cashbook and bank statements.

RISK MANAGEMENT

- The Council undertakes a full annual risk assessment, (inc. but not limited to, assets, finance, insurance, cyber)
    - The full risk assessment is reviewed and adopted annually at the AGM

INTERNAL AUDIT

- An independent Internal Auditor is appointed and reviews:
    - Records and procedures
    - Systems and internal controls
    - Regulatory compliance
    - Risk management arrangements
- Internal audit is conducted under agreed Terms of Reference.

EXTERNAL AUDIT

- Appointed through the Smaller Authorities Audit Appointments Ltd (SAAA).
- The Council completes and submits the Annual Governance and Accountability Return (AGAR).
- External audit findings are reported to the Council and acted upon as needed.

REVIEW OF EFFECTIVENESS

The effectiveness of Docking Parish Council's internal control system is reviewed through the following process:

- A quarterly review of internal controls is carried out by the Council-appointed Internal Controls Officer – a councillor who is not a member of the Finance Committee.
    - Their findings are reported to Full Council for oversight and minuted accordingly.

- A full annual review of the internal control framework, risk management, and financial governance is conducted at the Annual Meeting of the Council (AGM) each May.

This layered approach ensures regular monitoring, transparency, and timely response to any emerging issues or risks.

For 2025–2026, the appointed Internal Controls Officer is Cllr Josie Flowers