



## **Kimberley Town Council**

### **Statement of Internal Control Policy**

**Adopted by Full Council on 25<sup>th</sup> July 2024 TC/24/090**

#### **SCOPE OF RESPONSIBILITY**

Kimberley Town Council (KTC) is a local authority funded largely by public money and 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 accounts for, and used economically, efficiently 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 includes arrangements or the management of risk.

#### **THE SYSTEM OF THE INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than 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 KTC's policies, aims and objectives.
- Evaluate the likelihood of those risks being realised and the impact should they be realised.
- Manage them efficiently, effectively, and economically.

The system of internal control has been in place for the year ended 31<sup>st</sup> March 2024 and up to the date of approval of the annual report and accounts and accords with proper practice as laid down by the Council's Financial Regulations.

#### **THE COUNCIL'S INTERNAL CONTROLS**

##### **The Council**

The Council has elected a Chair who is responsible for the smooth running of the meetings. The Clerk is responsible for all Council decisions being lawful. The Council reviews its

obligations and objectives and approves the budget and precept for the following financial year.

### **Full Council**

The Full Council meets once a month (except August and December) and receives the minutes of all committees and ratifies the decisions and recommendations of the council's committees. The council also monitors progress by receiving it from the Clerk.

The Council has in place amongst others standing orders, financial regulations, risk management and a scheme of delegation to ensure the secure, effective, and efficient use of Council resources. In emergency circumstances (such as a pandemic) and where the Council is unable to function normally, the Council will agree delegation arrangements to enable the work of the Council to continue with probity in consultation with identified senior members as appropriate and supplemented by measures to provide transparency.

### **Finance Committee**

The Finance Committee meets on a quarterly basis. The Finance Committee review all finance policies and risk assessments. It produces a draft budget with the RFO to propose at Full Council in January. Proposes the precept to be agreed at the Full Council in January. The income and expenditure versus the budget headings are reviewed at each meeting.

### **Clerk to the Council and Responsible Finance Officer**

The Council has appointed a Clerk who is the Proper Officer to the Council, and who acts as the Council's advisor and administrator. The Clerk is responsible for advising on day-to-day compliance with laws and regulations that the council is subject to and for managing risks. The Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

The Council has appointed a Responsible Finance Officer (RFO) (S151) who is responsible for administering the Council's finances. The Council uses a sector specific accounting package (Omega) that records all the accounting transactions and is used to register commitments alongside income and expenditure. The package provides financial information and the basis for budgetary control.

### **Payments and Income**

A system of financial control cannot be expected to eliminate the possibility of inaccuracy or fraud. To minimize this risk the Council has the following procedures as set out in the Council Financial Regulations.

The RFO is responsible for:

- Submitting a monthly financial report to Full council, where there is a Full Council meeting. A detailed list of all payments shall be disclosed within at which payment was authorised and signed by two Councillors who are bank signatories.
- All payments are signed by two Councillors who are bank signatories.
- Ensuring that monthly bank reconciliations and original bank statements are completed and checked and signed by the RFO and two Councillors one of which cannot be a signatory.

- Produce monthly salaries. To be signed by two Councillors before payment.
- Ensure that entries on a day-to-day basis record all money received and expended.
- Record and update the Council's Asset Register.

### **Risk Management/Risk Assessment**

KTC adopted a risk management strategy and has compiled risk assessments for relevant risks and activities. The financial risk assessment is to be reviewed and agreed by 31<sup>st</sup> March each year.

### **Contracts**

Procedures as to contracts are laid down in the Council's Standing order and Financial Regulations.

### **Internal Audit**

The council will appoint an independent internal auditor annually and all issues raised are reported in writing to Full council and all consequential actions implemented to ensure financial probity.

### **External Audit**

The Council's appointed external auditors are PKF Littlejohn LLP, who on completion of the audit submit an annual Certificate of Audit which is reported to Full council and published to the return & accounting statement (AGAR).