

FENTON & TORKSEY LOCK PARISH COUNCIL

INTERNAL CONTROLS SYSTEM

ADOPTED FEBRUARY 2026

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1. SCOPE OF RESPONSIBILITY

- 1.1 Fenton & Torksey Lock 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 and properly accounted for, used economically, efficiently and effectively.
- 1.2 In discharging this overall responsibility Fenton and Torksey Lock 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 CONTROLS

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk. It cannot provide an absolute assurance of effectiveness. The system of control is based on an on-going process to identify the risks to achievement of Fenton and Torksey Lock Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

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3. THE INTERNAL CONTROL ENVIRONMENT

a) The Council:

- i. Has appointed a Chairman who is responsible for the smooth running of meetings.
- ii. Approves budgets for the following year at or before its December meeting.
- iii. Approves the level of Precept for the following financial year at or before the December meeting
- iv. Meets once every month with additional meetings as required (with the exception of August which will be at the Chairmans discretion).
- v. Sets terms of reference for any committees
- vi. Monitors every quarter the expenditure against budget with a forecast for the end of the year.
- vii. Appoints and reviews the work of the Internal Auditor.
- viii. Ensures that the Council holds relevant insurance cover.

b) The Clerk to the Council/Responsible Financial Officer (RFO):

- i. The Clerk and or the RFO are responsible for administrating the Council's finances.
- ii. The Clerk is responsible for the day-to-day compliance with the law and regulations that the Council is subject to and for managing risks.
- iii. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.
- iv. The Clerk and or the RFO ensures that all VAT is identified and reclaimed each year.

c) Payments:

- i. All payments are reported to the Council or Finance Committee for approval before payment.
- ii. Two members of the Council or Finance Committee must authorise every cheque
- iii. Two members of Council or Finance Committee must authorise Bank transfer payments

d) Risk Assessments and Risk Management:

- i. The council carries out a risk assessment in respect of actions and regularly reviews its systems and controls.
- ii. The Council has a risk assessment/management document which is reviewed annually in May every year.

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e) Internal Audit:

Fenton and Torksey Lock council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:-

- i. Records
- ii. Procedures
- iii. Systems
- iv. Internal controls
- v. Regulations
- vi. Risk Management
- vii. Reviews

The effectiveness of the internal audit is reviewed annually.

f) External Audit:

The Council's External auditors submit an annual Certificate of Audit, which is reported by the Council.

g) Standing Orders:

Fenton and Torksey Lock Council has adopted Model Standing Orders as recommended by NALC. These are reviewed annually in May every year and amended as required throughout the year to reflect any amendments to legislation.

These are available on the Councils website.

h) Financial Regulations:

Fenton and Torksey Lock Council has adopted the Model Financial regulations as recommended by NALC. These are reviewed annually in May every year and amended as required throughout the year to reflect any amendments to legislation

These are available on the Councils website.

4. REVIEW OF EFFECTIVENESS

Fenton and Torksey Lock Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of :-

- i. The Full Council
- ii. Any appointed Committee
- iii. The independent Internal Auditor who reviews the Council's system of internal control
- iv. The Council's External Auditors who make the final check using the Annual Return and issues an annual audit report.

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v. The number of significant issues that are raised during the year.

Any concerns about the effectiveness of the system of internal control will be investigated and action taken as appropriate.

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