OLD WARDEN PARISH COUNCIL:
INTERNAL CONTROL POLICY

January 2026

SCOPE

Old Warden Parish Council (OWPC) is responsible for ensuring that business is conducted in accordance with the law and defined standards. Furthermore, the Parish Council is also responsible for implementing an Internal Control Policy including the preparation of Financial Statements and adequate steps towards Risk Management.

PURPOSE

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. Internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Parish Council's policies, aims and objectives. To evaluate the possibility of risk being realised and to manage them efficiently, effectively and economically.

INTERNAL CONTROL ENVIRONMENT

PARISH COUNCIL CHAIRMAN

OWPC has appointed a Chairman who is responsible for the running of meetings and ensuring decisions are lawful. To review objectives and budgets for the Financial Year and oversee all decisions at council meetings. The Chairman carries out reviews of internal controls, systems and procedures and reviews the work of the Internal Auditor.

PARISH COUNCIL CLERK

OWPC has appointed a Clerk who is the Responsible Financial Officer (RFO) and acts as advisor and administrator to the council. The RFO is responsible for managing finances, reporting to the council, preparing audits and managing the interface with HMRC. The Clerk is responsible for the day-to-day compliance with the law and council regulations and for managing risks. The Clerk manages the Council Website and ensures transparency of council business by maintaining the integrity of the data therein. The Clerk also ensures that procedures, control systems and policies are adhered to.

INCOME

All income is received and banked in the Parish Councils name in a timely manner and reported to the Council on a monthly basis via a bank reconciliation.

EXPENDITURE

All payments are reported to the Council for approval. The Council must authorise every cheque in duplicate.

RISK ASSESSMENTS

The Parish Council carries out a risk assessment in respect of actions and regularly reviews its systems and controls.

INTERNAL AUDIT

The effectiveness of the internal audit is reviewed annually. OWPC has appointed an Independent Internal Auditor who reports on the adequacy on:

- Records,
- Procedures,
- Internal control,
- Regulations,
- Internal/ External Audit.

EXTERNAL AUDIT

OWPC has an income and/or expenditure of less than £25,000 pa thus external audit is not required.

REVIEW OF EFFECTIVENESS

OWPC 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:

- Council Members,
- Finance and Staffing Committee,
- The Clerk who has the responsibility for the development and maintenance of the internal control environment and managing risks,
- The independent Internal Auditor who reviews the OWPC's system of internal control,
- OWPC's External Auditors, who makes the final check using the Annual Return, and issues an annual audit report,
- The number of significant issues that are raised during the year.