Ampney Crucis Parish Council

Internal Controls & Governance Policy

Adopted: 9th July 2026

Reviewed:
Next review due: July 2027

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1. Purpose and Scope

Ampney Crucis Parish Council is committed to maintaining adequate and effective systems of internal control. This ensures that:

- Public money is safeguarded and properly accounted for.
- Decisions are lawful, transparent, and in the public interest.
- Risks are identified and managed.
- Governance standards are upheld.
- Digital and data responsibilities are met.

This policy sets out the framework for internal controls across finance, governance, risk, information and assets, people and culture, and monitoring. It supports the Council's annual review of effectiveness under the Annual Governance and Accountability Return (AGAR).

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2. Roles and Responsibilities

- **Full Council** – overall responsibility for risk management, internal control, and governance. Approves this policy, the annual budget, and reviews effectiveness annually.
- **Full Council** – ensure decisions follow Standing Orders, Financial Regulations, and delegated powers.
- **Clerk/Responsible Financial Officer (RFO)** – administers day-to-day financial and governance controls, maintains records, and reports exceptions to Council.
- **Councillors** – provide oversight by reviewing and verifying controls (e.g. bank reconciliations, payments).
- **Internal Auditor** – independent of the Council, provides a written annual report on financial, governance, and risk controls.
- **Segregation of Duties** – The Chair must never serve simultaneously as Clerk or RFO. Where this is unavoidable, compensating controls must be reported to Council.

3. Financial Controls

The Council will ensure:

- **Budgeting & Monitoring** – Annual budget approved by Council, with monthly/quarterly monitoring reports.
- **Authorisation** – Two councillors to sign/approve all payments; expenditure authorised by resolution and minuted.
- **Audit Trail** – Each payment supported by an invoice/receipt, properly authorised, and linked to bank statements.
- **Bank Reconciliation** – Performed monthly by the RFO and independently verified by a councillor.
- **Income** – Invoiced promptly, receipts recorded, and banked without delay.
- **Assets & Insurance** – Asset register maintained and periodically verified; insurance reviewed annually.
- **Reserves & Investments** – Managed according to Council policy; balances reviewed annually.
- **Payroll** – Salaries authorised in line with contracts; statutory deductions remitted to HMRC.
- **VAT** – Correctly accounted for and reclaimed.
- **AGAR** – Completed and published in accordance with statutory requirements.
- **Fraud Prevention** – Anti-fraud, corruption, and whistleblowing arrangements in place.

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4. Governance Controls

The Council will:

- Review Standing Orders and Financial Regulations annually.
- Publish agendas, minutes, and statutory information on the website.
- Maintain Registers of Interests and record declarations at meetings.
- Document and report use of delegated authority.
- Manage procurement in line with thresholds in Financial Regulations; contracts monitored for delivery and compliance.
- Meet statutory requirements for the exercise of public rights, including publishing unaudited AGAR Sections 1 and 2 online, and confirming the inspection period.

5. Risk Management Controls

The Council will:

- Maintain a Risk Register, reviewed quarterly and updated following new projects or events.
- Carry out risk assessments for activities, events, and facilities; feed significant risks into the Register.
- Ensure a Health & Safety Policy and arrangements are in place.
- Maintain a Business Continuity Plan to cover Clerk absence, IT disruption, or loss of facilities.

6. Information and Asset Controls

The Council will:

- Comply with the Data Protection Act 2018 and UK GDPR.
- Maintain secure access controls and data backup arrangements.
- Ensure councillors and staff use council email addresses under an official domain (e.g. .gov.uk).
- Keep the council website compliant with accessibility standards and publish required information under the Transparency Code.
- Maintain an IT Policy governing the use of council-owned and personal devices for council business.
- Protect council property through asset registers, inspections, and insurance.
- Inspect play areas weekly (visual), quarterly (operational), and annually (independent).

7. People and Culture

The Council will:

- Provide induction and training for councillors and staff, including finance, governance, and code of conduct.
- Adopt and uphold the Members' Code of Conduct.
- Operate lone-working arrangements for staff where necessary.
- Promote a culture of openness and accountability, with whistleblowing provisions in place.

8. Monitoring and Assurance

- **Quarterly Internal Control Checks** – Carried out by a councillor, covering reconciliations, payments, income, assets, risk register, and publication duties. Reports to Council will be minuted.
- **Annual Review of Effectiveness** – Full Council to review the effectiveness of internal control annually, prior to approving the AGAR.
- **Internal Audit** – Conducted annually by an independent and competent person. The report will be presented to Council and published with the AGAR.
- **Follow-up of Actions** – All internal and external audit recommendations will be tracked and reported until completed.

9. Review

This policy will be reviewed annually by full council at its Annual Meeting, or sooner if required by changes in legislation, guidance, or council operations.

Appendix A – Example Quarterly Internal Control Checklist

(To be adapted and signed quarterly)

- Bank reconciliations completed and verified
- Payments authorised, minuted, and supported by invoices
- Income properly recorded and banked
- VAT accounted for and reclaimed
- Payroll records checked against contracts
- Asset inspections carried out and logged
- Risk Register reviewed this quarter
- Transparency information published (minutes, AGAR, expenditure, contracts)
- Contracts monitored and performance confirmed

Signed: _____ (Councillor)

Date: _____

Disclaimer

In the absence of NALC model policies for all areas of core and recommended council governance, GAPTC has prepared this policy by studying a cross-section of parish and town council policies available online, identifying their strengths, common pitfalls, and where scope might need to be broadened to be fully effective. Drafting has been assisted by AI tools, and the content has not been assessed by a legal expert. Councils are strongly encouraged to tailor and customise this policy to suit their individual circumstances, activities, and risk profile, and to seek independent legal or professional advice where necessary.

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