Denham
PARISH COUNCIL

Internal Control Policy

For the year ended 31 March 2026

Scope of Responsibility

The Accounts and Audit Regulations 2015 state that a Council shall be responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. This facilitates the effective management of the Council's processes, including its management of risk.

Denham Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for in the day-to-day operation.

The management of risk is regularly checked to ensure the Council is meeting its compliance responsibilities and is regularly monitored to reduce the level of risk as a public authority.

The Purpose of the System of Internal Control

The system of internal control is to ensure that the Council's activities are carried out properly and as intended. Internal controls have been set-up by the Clerk and relies on Council members to ensure that they have an understanding of the financial processes and are able to challenge where necessary.

These controls are through the financial comparison reports, recording of assets, identification of risk and how to reduce those risks going forwards.

Personnel involved with the system of Internal Control

The Council appoints a Chair who is responsible for the smooth running of meetings and ensuring that all Council decisions are lawful.

The Council has five standing committees; Services, Communities & Events, Planning, Finance and Policy & Procedures. Each committee appoints a Chair to manage their business activity.

At the Full Council meeting, each Chair or their Vice-Chair present their minutes for approval. They are proposed and seconded by a member of that committee, and they are signed once approved.

Decisions made are in conformance with the Standing Orders and Financial Regulations laid down and approved by the Council.

The Finance committee starts to review the budget for the forthcoming municipal year in October through to December, in consultation with the appropriate Chair and Vice-Chair of that standing committee.

In January, the final budget is presented to Full Council, along with the anticipated precept to be set, based upon the requirements of each committee for approval. Once approved, the information is presented to the principal authority (Bucks Council) by 31 January.

The Finance committee receives a financial statement of bank accounts, along with various reports giving an overview of funds available.

Payments are made in accordance with Standing Orders and Financial Regulations. A payments list is presented to Full Council to be approved, based on the invoices received. Our Council meetings review the monthly payments list and authorise payments to be made. An updated list may be presented for approval due to the timing of the agenda being sent out to members, and invoices being received up to the meeting taking place.

Two Councillors must agree to the signing of cheques or the transfer of funds from one of the accounts. The signatories will ensure that the cheque agrees with the amount of the invoice along with the payee named on the invoice. The Clerk/RFO may not authorise payments.

At regular Finance meetings bank reconciliation totals are presented to the members to show totals are reconciled and agree with the bank statements as evidence.

Clerk to the Council / Responsible Financial Officer

The Council has appointed a Clerk to the Council, who acts as the Council’s advisor and manages the office team with overall responsibility of Council’s day-to-day functions.

The Clerk is the Council’s Responsible Financial Officer and is responsible for administering the Council’s finances. The Clerk is responsible for complying with the laws and regulations that the Council is subject to and for managing risks.

A standing item is placed on the finance agenda to review any risks that may arise along with any remediation that has been taken.

The Clerk ensures that the Council’s procedures, control systems and policies are maintained and adhered to.

The RFO submits all the requested information to the External Auditor by the required date.

The RFO arranges for the public notices to be displayed.

The RFO will retain all relevant documents relating to the financial year for seven years (Annual Return, VAT Returns, PAYE/National Insurance Contributions, Public notices, Fixed Asset register, Risk assessments, Accounts and supporting documentation.

Internal Auditor

The Council appoints an independent Internal Auditor, who will report to the Council on the adequacy of its records, procedures, systems, internal control, regulations, risk management and reviews.

The Internal Audit is reviewed annually, and the Council agrees to the appointment of the Internal Auditor. The Internal Auditor is competent and independent to review the account systems, procedures and processes that are in place.

The Internal Auditor inspects the accounts, prior to the completion of the Annual Governance & Accountability Return and will complete the relevant page of the AGAR.

The Internal Auditor writes a separate report to the Council detailing any findings that they may have found, whilst completing their audit along with any recommendations.

A copy of their report is then presented to the Finance committee first and then subsequently to the Full Council meeting. This ensures that any recommendations are noted, along with any subsequent actions that may need to be put in place.

External Auditor

The Council's External Auditors, appointed by the Smaller Authorities' Audit Appointments Ltd, submit an External Auditor's Report, which is presented to the Finance committee first and then to Full Council for ratification.

Review of Effectiveness

The Council has responsibilities for conducting an annual review of the effectiveness of the systems of internal controls.

The Council may identify any new activities that may need to be implemented as a result of the report submitted by the Internal/External Auditors.

The Clerk/RFO has the responsibility for the development and maintenance of the internal control environment and managing risks. The Risk Management report is used to review the level of risk identified.

The Internal Auditor reviews the Council's system of internal controls and writes a written report to the Council and completes their appropriate section of the AGAR, along with notifying any proposed actions that need to be completed.

The Council's External Auditors make the final check using the Annual Governance & Accountability Return. This will have been completed by the RFO, the Chair and the Internal Auditor. The External Auditor issues an annual audit certificate along with advising if there is any action arising from their assessment.

Report prepared by Derek Wilson

Executive Clerk 11 December 2025