Chalford Parish Council
The Parish Centre, 50 Gerald's Way
Chalford, Stroud, GL6 8FJ

Internal Controls & Governance Policy

1. Purpose and Scope

Chalford 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).

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. (Fin Regs Section 2)
- Chair and Committees – ensure decisions follow Standing Orders, Financial Regulations, and delegated powers. (Fin Regs 1.1)
- Clerk/Responsible Financial Officer (RFO) – administers day-to-day financial and governance controls, maintains records, and reports exceptions to Council. (Fin Regs 1.5)
- Councillors – provide oversight by reviewing and verifying controls (e.g. bank reconciliations, payments). (Fin Regs 2.6)
- Internal Auditor – independent of the Council, provides a written annual report on financial, governance, and risk controls. (Fin Regs 3.7)
- Segregation of Duties – The Chair must never serve simultaneously as Clerk or RFO.

3. Financial Controls

The Council will ensure:

- Budgeting & Monitoring – Annual budget approved by Council, with monthly/quarterly monitoring reports. (Fin Regs Section 4)
- Authorisation – Two councillors to sign/approve all payments; expenditure authorised by resolution and minuted. (Fin Regs 7.1)
- Audit Trail – Each payment supported by an invoice/receipt, properly authorised, and linked to bank statements. (Fin Regs 7.4)
- Bank Reconciliation – Performed monthly by the RFO and independently verified by a councillor. (Fin Regs 2.6)

- Income – Invoiced promptly, receipts recorded, and banked without delay. (Fin Regs Section 13)
- Assets & Insurance – Asset register maintained and periodically verified; insurance reviewed annually. (Fin Regs Section 16 (Assets) and 17 (Insurance))
- Reserves & Investments – Managed according to Council policy; balances reviewed annually. (Fin Regs 12.3 – 12.6)
- Payroll – Salaries authorised in line with contracts; statutory deductions remitted to HMRC. (Fin Regs Section 11)
- VAT – Correctly accounted for and reclaimed. (Fin Regs 13.6)
- AGAR – Completed and published in accordance with statutory requirements. (Fin Regs 3.4)
- Fraud Prevention – Anti-fraud, corruption, and whistleblowing arrangements in place. (Fin Regs 2.5)

4. Governance Controls

The Council will:

- Review Standing Orders and Financial Regulations Regularly. (Fin Regs Section 19)(SO)
- Publish agendas, minutes, and statutory information on the website. (Stand Ord 12(e) and 20(a))
- Maintain Registers of Interests and record declarations at meetings. (Stand Ord 3t(iii))
- Document and report use of delegated authority. (Terms of Reference)
- Manage procurement in line with thresholds in Financial Regulations; contracts monitored for delivery and compliance. (Fin Regs Section 5)
- Meet statutory requirements for the exercise of public rights, including publishing unaudited AGAR Sections 1 and 2 online, and confirming the inspection period. (Fin Regs 3.4 and Practitioners Guide)

5. Risk Management Controls

The Council will:

- Maintain a Risk Register, reviewed quarterly and updated following new projects or events. (Fin Regs 2.2)
- Carry out risk assessments for activities, events, and facilities; feed significant risks into the Register. (Fin Regs 2.3)
- Ensure a Health & Safety Policy and Health and Safety issues are a standing agenda item at Finance & Management Committee.
- 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. (Stand Ord) Section 11 and IT Policy Section 5)
- Ensure councillors and staff use council email addresses under an official domain (e.g. .gov.uk). (IT Policy Section 7)
- Keep the council website compliant with accessibility standards and publish required information under the Transparency Code. (Stand Ord Section 20)
- Maintain an IT Policy governing the use of council-owned and personal devices for council business.

- Protect council property through asset registers (Fin Regs 16.2), inspections (Fin Regs 16.3) and insurance. (Fin Regs Section 17)
- Inspect play areas weekly (visual), quarterly (operational), and annually (independent).

7. People and Culture

The Council will:

- Provide induction and training for all new councillors which is a requirement for them to attend and for councillors and staff, including finance, governance, and code of conduct. (Pract Guide – Assertion 10 (5.124)
- Adopt and uphold the Members' Code of Conduct.(Stand Ord 13(a))
- Operate lone-working arrangements for staff where necessary. (Lone Working Policy)
- Promote a culture of openness and accountability, with whistleblowing provisions in place. (Whistleblowing Policy)

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. (Fin Regs 2.6)
- Annual Review of Effectiveness – Full Council to review the effectiveness of internal control annually, prior to approving the AGAR. (Fin Regs 2.4)
- Internal Audit – Conducted annually by an independent and competent person. The report will be presented to Council and published with the AGAR. (Fin Regs 3.8)
- Follow-up of Actions – All internal and external audit recommendations will be tracked and reported until completed. (Fin Regs 1.6)

9. Review

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

Date of policy: February 2026
Approving committee: Finance & Management Committee
Date of committee meeting: 10th March 2026
Policy version reference: Version 1
Supersedes: None
Policy effective from: March 2026
Date for next review: March 2027
Related policies: Financial Regulations (Fin Regs), Standing Orders (Stan Ord), Practitioners Guide (Pract Guide), Transparency Code 2015, Whistleblowing, Lone Working and IT.

Appendix A –Quarterly Internal Control Checklist

Internal Control	Verified
Bank reconciliations completed and verified	Yes/No
Payments authorised, minuted, and supported by invoices	Yes/No
Income properly recorded and banked	Yes/No
VAT accounted for and reclaimed	Yes/No
Payroll records checked against contracts	Yes/No
Asset inspections carried out and logged	Yes/No
Risk Register reviewed this quarter	Yes/No
Transparency information published (minutes, AGAR, expenditure, contracts)	Yes/No
Contracts monitored and performance confirmed	Yes/No

Councillor Signature …… Date: ……