

BAWDESWELL PARISH COUNCIL

FINANCE

INTERNAL CONTROL POLICY

Responsibility

The Audit and Accounts 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 which facilitates the effective exercise of the Council's functions and which includes arrangements for risk management.

Purpose

Internal Control is designed to reduce financial risk to the Council, ensuring activities are carried out properly and as intended. Controls include checking of routine financial procedures, examination of financial comparisons, recording of assets and liabilities, identification of risk and effective management of said risks.

Controls

The Council approves budgets in December and agrees the level of precept. Councillors receive details of income/expenditure against budget at each meeting. Two Councillors must sign cheques/internet bank payment sheets and initial the invoice ensuring the amount and the payee agrees with the invoice. Payments for approval are authorised by a resolution at each meeting. The Clerk is responsible for administering the Council's finance in compliance with laws and regulations.

The Clerk ensures financial procedures, control systems and policies are maintained. The Clerk submits all requested information to the Internal Auditor and the External Auditor by the required date and arranges for public notices to be displayed. The Clerk retains all relevant documents (Annual Return, VAT Return, PAYE Information, Asset Register and supporting information)

Internal Checks

A nominated Councillor will carry out quarterly bank reconciliation checks. A monthly financial update is provided showing receipts and payments against budget. Bank statements are available for inspection at each meeting.

Internal Auditor

An independent Internal Auditor (IA) is appointed by the Council, with the appointment being minuted. The IA should be advised on the scope of the work and inspect the accounts at the year end prior to completion of the Annual Return. A report from the IA is an agenda item with any report or recommendation being minuted.

External Audit

The external auditor is PKF Littlejohn LLP, appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) to audit the accounts annually and submit a report to the Council where an external audit is required. Any issues raised by the External Auditors report should be reported to Council and actioned.

Review of Effectiveness

The Council should review annually the effectiveness of Internal Controls and the effectiveness of the Internal Auditor.

Adopted April 2018