BAWDESWELL PARISH COUNCIL

INTERNAL CONTROL POLICY

1. SCOPE OF RESPONSIBILITY

Bawdeswell Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to ensure that the council's activities are carried out properly and as intended. Controls will include the checking of routine financial procedures; the examination of financial comparisons; the recording of assets and liabilities;

the identification of risk and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. PERSONNEL INVOLVED WITH THE INTERNAL CONTROL ENVIRONMENT

3.1 The Council:

The Council has appointed a Chair who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful. Decisions made should be within the Standing Orders and Financial Regulations laid down and approved by the Council. The Council reviews its obligations and objectives and approves budgets for the following year at its meeting in November. The December meeting of the Council approves the level of precept for the following financial year.

The Council receives a monthly financial statement showing budget against expenditure and a list of payments and receipts which it approves at its Council meetings. Payments are made in accordance with Standing Orders and Financial Regulations.

3.2 Clerk and Responsible Finance Officer:

The Council has appointed a Parish Clerk who is also the Responsible Finance Officer. The Clerk / RFO is responsible for administering the Council's finances and is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk / RFO ensures that the Council's procedures, control systems and policies are maintained.

3.3 Internal Auditor:

The Council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of it's:

- Proper bookkeeping arrangements
- Corporate governance, financial regulations and risk management procedures
- Payment, petty cash and salaries procedures
- Precept determination
- Budgetary control
- Income control
- Asset registers
- Investment and loans
- Bank reconciliation
- Financial statements

The Council appoints the Independent Internal Auditor on an annual basis. The Internal Auditor, who is competent and independent, is advised of the scope of the work required by the Council.

4. REVIEW OF EFFECTIVENESS:

The Council has responsibility for conducting an annual review of the effectiveness of internal control. The review of the effectiveness of internal control is informed by the work and any issues identified by:

- Full Council – identification of new activities

- Parish Clerk / RFO who has responsibility for the development and maintenance of the internal control environment and managing risks

- Independent Internal Auditor who reviews the Council's system of internal control. The Independent Internal Auditor will make an annual report to the Council (Section 4 of the Annual Governance and Accountability Return - AGAR)

- The Council's External Auditors, who make the final check using the Annual Return, a form completed and signed by the Parish Clerk / RFO, the Chairman and the Internal Auditor. The External Auditor issues an annual audit certificate.

System of Internal Financial Control

Cash Book/Bank Reconciliations

- The cash book is kept electronically on Excel, maintained up to date from original documents (income received, invoices, BACS payments and direct debits made)

• The cash book is reconciled to the bank statement at least monthly.

• Reconciled accounts are presented at each Parish Council meeting for approval.

• The cash books, payments and receipts and bank reconciliation is reviewed and approved by council appointed internal scrutineer as per Financial Regulations, with reference to the underlying records (bank statements and minutes plus copies of accounts papers etc.) at least annually.

• The bank reconciliation is reported to the full Parish Council and minuted as such.

• The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting.

Financial Regulations

• The Parish Council has adopted financial regulations, based on the model version prepared by NALC/SLCC. The regulations are reviewed annually for continued relevance and amended where necessary by the Clerk / RFO with any proposed amendments subject to approval by the Parish Council.

• The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.

• Official orders are sent to suppliers for services which are not regular in nature.

Payment Controls

• Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable.

• All invoices for payment are listed and presented for payment.

• Original invoices are available to the Councillors for authorising BACS payments.

• Cheques will be signed by two signatories, who are authorised to sign on the council's bank mandate.

• The council has an online banking system in place, for the purpose of viewing statements, transferring funds between accounts, and making Bacs Payments.

• Bacs payments are authorised to be made by two signatories, who are authorised to sign on the council's bank mandate. Upon authorisation the payment is made on the online banking system by the Clerk/RFO.

• The Clerk / RFO is authorised to set up direct debit payments. All direct debit mandates should be signed by two authorised signatories.

• The Clerk / RFO maintains control of the cheque book at all times.

• When invoices are paid by cheque, they are identified by the cheque number and referenced in the cashbook by the cheques number, as well by the unique identifier. This is cross checked with the bank statements.

VAT Repayment Claims

• The Clerk / RFO ensures that all invoices are addressed to Bawdeswell Parish Council

• The Clerk / RFO ensures that proper VAT invoices are received where VAT is payable.

• The Clerk / RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.

Income Controls

• The Clerk / RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the District Council.

• The Clerk / RFO ensures that the precept instalments are received when due.

• The Clerk/ RFO ensures that other receipts are received when due and correctly calculated.

Financial Reporting

• A Budget control, comparing actual receipts and payments to the budget and the previous year is prepared monthly, and presented to Full Council in advance of the meeting and minuted accordingly.

• The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes.

• The precept is set on the basis of the budget based on the deadline set by Breckland District Council and the statutory deadline.

Payroll Controls

• The Clerk is paid under PAYE as an employee and the necessary system for HMRC RTI is in place.

• Salaries are set as per Contracts of Employment.

• Salaries are paid by Bacs.

• The Clerk will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.

Officers and Members Expenses

• Requests for reimbursement of monies owing by way of an expense incurred is made immediately the purchase is paid and is authorised by the RFO or an appropriate official independent of the claim.

• Expenses are paid by Bacs and the expense is treated as an invoice for accounting purposes.

Asset Control

• The Clerk / RFO maintains a full asset register which is reviewed annually.

• The existence and condition of assets is checked on a regular basis by the Parish Council or as a need is identified.

• The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal

Approved May 2026