

Blisworth Parish Council Internal Control Policy

BACKGROUND

The Accounts and Audit Regulations 2003 states 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 the management of risk.

Blisworth Parish 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.

THE PURPOSE OF INTERNAL CONTROL

Internal control is designed to reduce financial risk to the Council.

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set by the Clerk/Responsible Financial Officer but it falls to Council members to ensure that they have a degree of control and understanding of those controls.

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.

THE INTERNAL CONTROL ENVIRONMENT

The Council appoints a Chairman who is responsible for the smooth running of meetings and for ensuring that all Council decisions are lawful, utilising the knowledge of the Clerk.

The Chairman signs all pages of all Full Council minutes.

All decisions made should be within the Standing Orders and Financial Regulations approved by Full Council.

The Council shall review and approve budgets and level of precept for the following financial year at a meeting during December/January.

All payments made by the Council should be authorised at a full Council meeting, unless in exceptional circumstances outlined in the Council's Financial Regulations.

The Council should be provided with copies of the invoices requiring authorisation in advance of the meeting.

Details of the payments authorised at the meeting should be detailed in the minutes, and signed by the Chairman.

The Council's bank mandate must require all cheques and letters/instructions to the bank to be authorised by two Councillors. Internet bank payments to be submitted by the Clerk and authorised by one Councillor.

The invoice being paid, should be signed and dated by the authorising Councillors at the time the corresponding cheque is being signed, and the relevant cheque number should be written on the invoice.

Details of all payments authorised and paid should be maintained by the Clerk/RFO.

Quarterly internal control checks

As part of the quarterly internal control checks, the councillor allocated for that quarter (Councillors are allocated on a rota basis) should validate all payments authorised and made as part of the reconciliation process and all findings

shared at a full Council meeting at least quarterly. The councillor authorising the internet bank payments cannot also complete the internal control checks for the same quarter. (Please see Appendix 1 for details of the quarterly internal control checklist.

A reconciliation should be carried out by the Clerk/RFO on a regular basis (at least quarterly). This should be validated by the Internal Control Councillor and shared at a full council meeting.

A summary of expenditure vs Budget should also be shared at a full council meeting at least quarterly.

A full reconciliation, and summary of expenditure vs Budget must be shared with the Council at the end of each financial year

CLERK TO THE COUNCIL AND RESPONSIBLE FINANCIAL OFFICER

The Clerk to the Council acts as the Council's advisor and administrator and, as Responsible Financial Officer, is responsible for administering the Council's finances which are overseen and reported to Council.

The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk ensures that the Council's procedures, control systems and policies are maintained.

The duties of the Deputy Clerk/Responsible Financial Officer are laid down in a job description which is reviewed each year.

The Clerk/Responsible Financial Officer submits all the requested information to the External Auditor by the required date.

The Clerk/Responsible Financial Officer arranges for the public notices to be displayed.

The Clerk/Responsible Financial Officer will retain all relevant documents related to the financial year for 7 years which includes (Annual Return, VAT Returns, PAYE/NI information, Public Notices, Fixed Asset Register, Risk Assessments, Accounts and relevant supporting information).

INTERNAL AUDITOR

The Council appoints an Independent Internal Auditor who will report to the Council on areas including adequacy of its Records, Procedures, Systems, Internal Control, Regulations, Risk Management and Reviews.

The effectiveness of the internal audit is reviewed every three years and the Council agrees to the appointment of the Internal Auditor.

The Internal Auditor inspects the accounts during the current financial year and at the year-end prior to the completion of the Annual Return Statement to the External Auditor.

The Internal Auditor will write a separate report to the Council detailing any findings they might have. This report is also copied to all Councillors and discussed by Full Council as an agenda item.

EXTERNAL AUDIT

The Councils' External Auditors, submit an External Auditors Report which is presented to the Council. Any matters raised on the Annual Return Statement are discussed by the Council with any necessary actions duly recorded.

REVIEW OF EFFECTIVENESS

The Council should continually review the effectiveness of the system of internal control and make any recommendations regarding improvement to the Full Council.

.Version	Details of any revision	Approved at	Date	Review Date
v1	Initial draft	BPC Meeting 07/03/2022 Minute Point 16.	07/03/2022	June 2022
v2	None	Readopted at BPC Meeting 06/06/2022 Minute Point:22 (f)	06/06/2022	May 2023
Readopted	None	Readopted at BPC Meeting 02/05/2023 Minute Point: 31	02/05/2023	May 2024
v3	Paragraph relating to Quarterly internal control checks	Readopted at BPC Meeting 13/05/2024. Minute Item: BPC/57/ 24-25	13/05/2024	May 2025