

RINGLAND PARISH COUNCIL

Internal Control Policy

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

Ringland 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.

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 includes arrangements for the management of risk.

The Purpose of the System of Internal Control

Internal control is designed to reduce financial risk to the Council. The system of internal control is designed to endure that the council's activities are carried out properly and as intended. Internal controls are set up by the Responsible Financial Officer (RFO) but it falls on the 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 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.

Statement of Internal Control

Cash book/ Bank reconciliations	The cash book is kept electronically (in spreadsheet format) and maintained up to date from original documents. The cash book is reconciled to the bank statement at least monthly. The cash book, payments and receipts and bank reconciliations are reviewed and approved by a nominated member of the Parish Council. The Councillor is nominated annually at the May meeting of the Council, for a maximum of a year and must not be a bank signatory.
Financial Regulations	The Parish Council has adopted Financial Regulations; the regulations are reviewed for continued relevance and amended where necessary.
Order/ Tender control	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.

	<p>Official orders/letters/emails are sent to suppliers for services which are not regular in nature.</p>
<p>Payment Controls</p>	<p>Payments are listed in cheque number or order or payment date order in the cash book and in accounts files.</p> <p>All invoices for payment are listed on the meeting agenda where the expenditure is to be authorised for payment.</p> <p>Payments made are listed in the minutes of the meeting.</p> <p>Invoices are available to all Councillors but in particular to the Councillors signing the cheques or authorising electronic payments. Cheques will be signed or electronic payments will be authorised by two councillors, who are authorised to sign the Council's bank mandate.</p> <p>Councillors, when signing the cheques or authorising electronic payments, will ensure that there is an invoice or other documentation that corresponds with the payment and that the payment is listed on the agenda and has been agreed by the council. If signing a cheque, they will initial the cheque stub to confirm that it contains the same information as the cheque.</p> <p>The RFO has only access to the online banking and is not a signatory to the bank account.</p> <p>The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Council meetings.</p> <p>When invoices are paid, they are identified by the cheque or BACS payment date and referenced in the cashbook.</p>
<p>VAT repayment claims</p>	<p>The Clerk ensures that all invoices are addressed to the Parish Council.</p> <p>The RFO ensure that proper VAT invoices are received where VAT is payable.</p> <p>The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.</p>
<p>Income Controls</p>	<p>The RFO ensures that the amount of the precept received is correct in accordance with the precept request sent to the District Council.</p> <p>The RFO ensures that other receipts are received when due.</p> <p>The RFO ensures that income is banked properly.</p>
<p>Financial Reporting</p>	<p>A budget review, comparing actual receipts and payments to the budget is prepared and presented to the Council at its May, September and January meeting and recorded in the Minutes.</p>
<p>Budgetary Controls</p>	<p>A budget control, comparing actual receipts and payments to the budget is prepared on at least a quarterly basis, presented to the Parish Council in advance of the meeting and minuted as such.</p>

Payroll controls	<p>The Clerk is paid under PAYE as an employee of the Council and the necessary system for making payments of HMRC RTI is in place.</p> <p>The Clerk's salary is set by the Council and minuted as such. The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.</p>
Clerk's Expenses	<p>The Clerk submits a request for reimbursement of monies owing in advance of each meeting.</p>
Asset Control	<p>The RFO maintains a full asset register.</p> <p>The existence and condition of assets is checked on an annual basis.</p> <p>The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.</p>
Auditing	<p>The RFO ensure that the accounts are audited in line with practice laid down in 'Governance and Accountability for Local Council's'. The Council will nominate and agree the work to be undertaken by the Internal Auditor annually. The accounts will be audited at the year-end. The Councillor responsible for carrying out the quarterly accounts check will also be responsible for making contact with the Internal Auditor to ensure that the Audit has been carried out and that the report received by the Council is genuine and has not been altered.</p>

Reviewed: March 2024
To be reviewed: March 2025