

Blackwell Parish Council	
Internal Controls Policy	
Date approved:	Review Date:

1. 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 of the council's functions and which includes arrangements for the management of risk.

Blackwell 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 which includes arrangements for the management of risk.

2. 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 ensure that the council's activities are carried out properly and as intended. Internal controls are set up by the Responsible Finance 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 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 then efficiently, effectively and economically.

3. Statement of Internal Controls

Item	Control
Cash book / bank reconciliations	<p>The accounts are kept on the Rialtas accounting package and is kept up to date using original documents.</p> <p>The cash book is reconciled to the bank statement and CCLA statements as the month end is completed on Rialtas.</p> <p>The bank statements and reconciliations are reviewed and approved at least quarterly by a nominated member of the council. The Councillor is to be nominated annually at the Annual Parish Council Meeting in May, for a maximum of a year and must not be a bank signatory.</p>
Financial regulations	<p>The council has adopted Financial Regulations as recommended by NALC (National Association of Local Councils).</p> <p>These are reviewed annually at the May Annual Parish Council meeting and amendments made where necessary.</p>

Order / tender controls	<p>The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the nature and value of the work.</p> <p>Official orders/letters/emails are sent to suppliers for services which are not regular in nature.</p> <p>If there is an exceptionally large piece of work that is to be undertaken and if needed, the council will seek advice on the best way forward – for example by contacting DALC or the Procurement Team at Bolsover District Council.</p> <p>The Council will develop a list of preferred contractors while will be reviewed every four years, in order to maintain consistency and reduce the chance of alienating good and reliable contractors.</p> <p>The Council will develop a procurement policy in line with the Financial Regulations and Standing Orders.</p>
Payment controls (see also the Scheme of Delegation and Financial Controls documents)	<p>A list of continuing payments (statutory, obligation or continuing contract) shall be drawn up annually for approval.</p> <p>In accordance with the Financial Regulations, the RFO shall have delegated authority to authorise payments to avoid late payment interest charges, payments that have already been authorised (providing invoices are submitted at the next council meeting), and fund transfers between council accounts.</p> <p>The RFO shall upload payments to be made via online banking onto the system and funds not released until at least one other Councillor has logged on to counter-authorise.</p> <p>The Councillor counter-authorising payments shall not have any personal or business relationship with the beneficiary of that payment.</p> <p>Where appropriate, for example with utility supplies, direct debits shall be set up and payments reported to the council.</p>
VAT reporting	<p>The RFO ensures that:</p> <ul style="list-style-type: none"> - all invoices are addressed to the parish Council. - proper VAT invoices are received where VAT is payable - VAT invoices are issued accordingly <p>The VAT return is completed quarterly using the Making Tax Digital system on Rialtas.</p>
Income controls	<p>The RFO ensures that the amount of precept received is correct in accordance with the precept request sent to Bolsover District Council.</p> <p>The RFO ensures that other income received via BACS is added to Rialtas that cheques and cash income is banked monthly.</p> <p>Invoices issued shall be created on Rialtas so payments can be monitored.</p> <p>Invoices relating to Charity Activity shall be issued manually, but records of payments and a system of issuing statements developed and monitored accordingly.</p>

Financial reporting	A budget control spreadsheet, comparing income and expenditure in relation to the current budget is to be prepared quarterly and presented to the Finance and HR Committee for consideration.
Budgetary controls	The budget is prepared in consultation with the full council and should be evidenced by minutes and reports.
Payroll controls	Salaries are set by the Parish Council and are guided by the SJP Scale and the Green Book. Salary calculations and payments to staff, HMRC and the Local Government Pension Scheme are undertaken by Bolsover District Council for a small monthly fee.
Staff expenses	The Clerk submits a request for reimbursement for monies owing in advance of council meetings. The provision of an additional payment for the use of personal mobile phones is considered on an annual basis. This payment is included with the wages.
Chair expenses	Shall be dealt with according to standard advice.
Asset Control	A full asset register is maintained by staff. The existence and condition of assets are checked on an annual basis. The adequacy of insurance of the Parish Council's assets is considered annually in advance of insurance renewal.
Auditing	The RFO ensure that the accounts are audited in line with practice laid out in the Joint Panel on Accountability and Governance Practitioner's Guide as issued by National Association of Local Councils. The Council will appoint an internal auditor on an annual basis. If using DALC (Derbyshire Association of Local Councils) to undertake the Audit, this takes place in two parts – the first part in the Autumn to look at Governance and the second to take place at the end of the year to cover the accounts. Once the internal audit is complete, required information is returned to the external auditor, who issues a certificate of audit upon completion.
Charities	Blackwell Parish Council is sole trustee to three charities: 1. Hilcote Miners Welfare and Community Centre (520416) 2. Newton War Memorial Playing Fields (520418) 3. Westhouses Memorial Playing Field (520419) The Council shall account for Charity income and expenditure separately to the council accounts. The accounts for the charities shall be reviewed when the main council accounts are reviewed, to ensure consistency of monitoring and to allow for the calculation of grants to be made to the charities.

Late payments	<p>A list of debtors to be taken to the Finance and HR Committee for review at least quarterly.</p> <p>A Debt Policy to be drawn up as guidance for future occurrences.</p>
Finance and HR Committee	The Finance and HR Committee shall meet at least quarterly and shall make recommendations to full council regarding financial and personnel issues in accordance with the Terms of Reference for that committee.
The Precept	The precept is set in accordance with the budget and is agreed at a full council meeting and submitted to Bolsover District Council by their deadline.

4. Review of Effectiveness

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

- Full council – identification of new activities
- Clerk / RFO alongside the Finance & HR Committee has responsibility for the development and maintenance of the internal control environment, managing risks identified and following up on any recommendations made by both the internal and external auditors
- Internal Auditor (who reviews the council's system of internal control) – will make a written report to the council in addition to the Annual Governance and Accountability Return (AGAR)
- External Auditor – make a final check of the AGAR (which is completed and signed by the RFO, Chairman and Internal Auditor). The external auditor issues an annual audit certificate – action arising from the AGAR
- Council meetings and on-going business – significant issues that are raised during the year.

To be reviewed annually.

This policy is fully supported by the members of Blackwell Parish Council	
Signed by	Chairman, Blackwell Parish Council
Date	