

Strumpshaw Parish Council

Internal Control Policy & Annual Review of the Effectiveness of Internal Control

Document Control		
Date Adopted		Minute Ref:
Next review date:	May 2027	Annually

1. Scope of Responsibility

Strumpshaw Parish Council is responsible for ensuring that its financial management is adequate, effective, and compliant with the Accounts and Audit Regulations 2015 and the JPAG Practitioners' Guide. The Council must maintain a sound system of internal control that enables the effective exercise of its functions and ensures that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The Responsible Financial Officer (RFO) has statutory responsibility for ensuring the Council follows proper accounting practices.

2. Purpose of the System of Internal Control

Internal control reduces financial risk to an acceptable level and ensures that the Council's activities are lawful, transparent, and properly conducted. Controls include:

- Routine financial checks
- Examination of financial comparisons
- Recording of assets and liabilities
- Identification and management of risk
- Measures to prevent and detect fraud, error, and irregularity

The Council ensures appropriate **separation of duties** between the RFO, authorising councillors, and those conducting checks.

3. Financial Management

The Clerk, as Responsible Financial Officer (RFO), manages day-to-day financial operations, including monthly reconciliation of Unity Trust Bank statements to the Scribe cashbook. Councillors retain oversight and must understand and monitor the controls in place.

The Council reviews the draft budget in November and sets the precept by December for submission to Broadland District Council.

The Community Hall Committee submits its budget to the Finance Committee or Full Council prior to the November meeting.

4. Statement of Internal Controls

Strumpshaw Parish Council maintains the following internal controls to ensure financial integrity, transparency, and compliance.

4.1 Cash Book & Bank Reconciliation

- The cash book is maintained electronically in Scribe Accounts.
- It is updated from original documents and reconciled to the Unity Trust Bank statement monthly.
- All bank reconciliations and bank statements, along with the full list of receipts and payments awaiting authorisation, are reported to Full Council at each meeting.
- A councillor other than the Chair reviews the bank reconciliations, bank statements, and list of receipts, and signs to confirm the review.
- Two councillors review the payments awaiting authorisation and sign the report.

4.2 Financial Regulations

The Council's Financial Regulations are reviewed regularly and updated where necessary.

4.3 Ordering & Tendering

Orders, quotations, and tenders follow the thresholds and procedures set out in the Financial Regulations. Written confirmation is issued for non-routine services.

4.4 Payment Controls

- All invoices for payment appear on the meeting agenda for approval.
- Payments are listed in date order in the cashbook and accounts files.
- Payments made are recorded in the minutes.
- Invoices are available to all councillors, particularly those authorising electronic payments.

4.5 Cheques, Standing Orders & Direct Debits

- The Council does not operate a cheque book or petty cash.
- Payments are made electronically via Unity Trust Bank.
- Standing orders and direct debits must be authorised by the Council before being set up.
- The Clerk may be a bank signatory for administrative purposes but may not authorise payments.

4.6 Online Payments (Updated for Unity Trust Bank)

4.6a Payment preparation and authorisation

- The Clerk/RFO prepares a list of payments awaiting authorisation for each Council meeting, generated from Scribe Accounts.
- Supporting invoices are provided to the authorising councillor.
- Once approved by the Council, the Clerk sets up the payments in Unity Trust Bank.
- One councillor authorises each payment online in accordance with the banking mandate.

4.6b Post-payment verification

At the next Council meeting, the RFO presents the list of payments cross-referenced to the Unity Trust bank statement. A councillor checks and signs this list as evidence of verification.

4.6c Payments between meetings

The RFO may make payments between meetings where authorised by the Council or relevant committee, **within the limits set out in the Financial Regulations**. All such payments are reported to the next Council meeting and checked against the bank statement by a councillor.

4.6d Emergency payments

The RFO may make emergency payments up to £500 where necessary to avoid fines, penalties, or operational risk. These are reported to the next Council meeting.

4.7 VAT

The RFO ensures VAT invoices are obtained, maintains a VAT account, and submits accurate VAT reclaim returns.

4.8 Income Controls

- The RFO undertakes weekly online banking checks for income received and records receipts in Scribe.
- Documentation is uploaded to the relevant Scribe transaction.
- Community Hall invoices are updated weekly; paid invoices automatically update the Scribe booking system.
- Income is banked promptly.

Receipts reporting

The RFO prepares a list of receipts received since the last Council meeting. A councillor (not the Chair) checks and signs this list at each meeting to ensure independent oversight and separation of duties.

4.9 Precept

The RFO ensures the precept received matches the amount requested.

4.10 Financial Reporting

A budget report comparing actual receipts and payments to budget is presented to the Council at each meeting and minuted.

4.11 Budgetary Controls

The budget is prepared in consultation with the Council and approved before the start of the financial year. The precept is set based on the approved budget.

4.12 Payroll Controls

The Clerk is paid under PAYE via HMRC RTI. Salary is set and minuted by the Council. The RFO ensures all payroll returns are completed and evidence retained.

4.13 Clerk's Expenses

The Clerk submits expense claims in advance of each meeting.

4.14 Asset Control

The RFO maintains the asset register, which is reviewed annually. Insurance adequacy is reviewed prior to renewal.

5. Auditing

5.1 Internal Audit

An independent, competent internal auditor is appointed annually. The auditor reports findings to the Council and completes the Internal Audit section of the AGAR.

5.2 External Audit

The external auditor (PKF Littlejohn) completes Section 3 of the AGAR. The completed audit is published in accordance with legislation.

5.3 Public Rights

The Council complies with the statutory public rights period under the Accounts and Audit Regulations.

6. Annual Review

The Council conducts an annual review of the effectiveness of internal control, including internal audit, and records the outcome in the minutes.

This policy forms part of the Council's governance framework and is reviewed annually.

Reviewed by Strumpshaw Parish Council on 19 May 2026

Signed by Chair:

Signed by Clerk & RFO: