Roydon Parish Council

Internal Control Policy

Approved and Adopted by Roydon Parish Council

Meeting Date: 12th January 2022
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Reviewed: February 2026
Next Review: February 2027

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.

Roydon 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.

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 them efficiently, effectively and economically.

Statement of Internal Controls

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 reconciliation are reviewed and approved by a nominated member of the Parish Councilat least quarterly. 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 Controls	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/letters are sent to suppliers for services which are not regular in nature.
Payment Controls	Payments are listed in cheque number order, BACS number order or payment date order in the cash book and in the accounts files. All invoices for payment are listed on the bank reconciliation document where the expenditure is to be authorised for payment. Payments made are listed in the minutes of the meeting. 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 on the Council's bank mandate. Councillors, when signing the cheques or authorising electronic payments, will ensure that there is an invoice or other documentation that corresponds with the payment, initial these to acknowledge this, and that the payment is listed on the bank reconciliation 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. If authorising a BACS payment, a confirmation email must be returned to the RFO. The RFO is authorised to transfer funds from one account to another, but not to make third party payments outside of the bank accounts in any form. The RFO maintains control of the cheque book at all times and controls the online payments system, cheques will only be issued and online payments set up for payments approved in Council meetings and the RFO is not a signatory to the bank accounts. When invoices are paid, they are identified by the cheque number, BACS number or payment date and referenced in the cashbook.
VAT repayment claims	The RFO ensures that all invoices are addressed to the Parish Council. The RFO ensures that proper VAT invoices are received where VAT is payable. The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.
Income Controls	The RFO ensures that the amount of the precept received is correct in accordance with the precept request sent to the District Council. The RFO ensures that other receipts are received when due. The RFO ensures that income is banked promptly.
Financial Reporting	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.
Budgetary Controls	The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes in advance of the start of the year.

	The precept is set on the basis of the budget by the deadline set by the District Council.
Payroll controls	The Clerk is paid under PAYE as an employee and the necessary system of HMRC RTI is in place. 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.
Clerk's Expenses	The Clerk submits a request for reimbursement of monies owing in advance of each meeting.
Asset Control	The RFO maintains a full asset register. 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 the insurance renewal.
Auditing	The RFO ensures that the accounts are audited in line with practice laid down in 'Governance and Accountability for Local Councils'. Internal Audit: The Council will nominate and agree the work to be undertaken by the independent 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. External Audit: The council's external auditors submit an annual certificate of audit which is presented to the Council.

Review of Effectiveness

The council has responsibility for conducting an annual review of the effectiveness of the system of internal control, which should include a review of the effectiveness of internal audit. The results of that review must be considered by the Council, which should also approve the Statement on Internal Control.