

OAKINGTON & WESTWICK PARISH COUNCIL

INTERNAL CONTROLS POLICY and STATEMENT

ADOPTED 12 MAY 2025

SCOPE OF RESPONSIBILITY

Oakington & Westwick Parish Council is responsible for ensuring 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 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 CONTROLS

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk. It cannot provide an absolute assurance of effectiveness. The system of control is based on an on-going process to identify the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.

THE INTERNAL CONTROL ENVIRONMENT

The Council...:

- Has appointed a Chair who is responsible for the smooth running of meetings.
- Meets at least 11 times a year, including an annual meeting in May.
- Approves budgets for the following year at its December/January meeting from which the Council approves the level of precept for the following financial year.
- Regularly monitors the actual expenditure against budget with a forecast for the end of the year, revised as necessary.
- Appoints and reviews the work of the Internal Auditor.

The Clerk to the Council/RFO...:

- is responsible for administering the Council's finances.
- is responsible for the day-to-day compliance with the law and regulations that the Council is subject to and for managing risks.
- ensures that the Council's procedures, control systems and policies are adhered to.

Payments:

All payments are reported to each meeting of the Parish Council. Payments made through the online banking system will be entered onto the system by the Clerk/RFO and then approved by any two of the authorised signatories having had sight of the accompanying invoices.

Risk Assessments/ Risk Management:

The council carries out a risk assessment in respect of actions and regularly reviews its systems and controls.

The council annually reviews and agrees its:

- Statement of Internal Controls (attached to this policy)
- Operational Risk Assessment.

Internal Audit:

The council has appointed an Independent Internal Auditor who reports to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal controls
- Regulations
- Risk Management
- Reviews

External Audit:

The Council's External Auditors are appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) and submit an annual Certificate of Audit, which is reported to the Council.

REVIEW OF EFFECTIVENESS

The Council is responsible 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 of:

- The Full Council
- The Finance Committee
- The Clerk to the Council/RFO who has the responsibility for the development and maintenance of the internal control environment and managing risks.
- The independent Internal Auditor who reviews the Council's system of internal control and completes the internal audit section of the Annual Governance and Accountability Return (the AGAR).
- The External Auditor, who makes the final check using the Annual Return and issues an annual audit report (part 3 of the Annual Governance and Accountability Return).
- The number of significant issues that are raised during the year.

Any concerns about the effectiveness of the system of internal control are investigated and action taken as appropriate.

Adopted: 12 May 2025
Review Due: May 2026

OAKINGTON & WESTWICK PARISH COUNCIL STATEMENT OF INTERNAL FINANCIAL CONTROLS

Cash Book / Bank reconciliations	<ul style="list-style-type: none"> • The cash book is kept electronically (in Scribe Accounts), maintained up to date from original documents (cash received, invoices, payments (s/o) made and cheques as they are prepared) • The cash book is reconciled to the bank statement at least monthly • Reconciled accounts are prepared in advance of each Council meeting • The cash books, payments and receipts, and bank reconciliation is reviewed and approved by a member of the Parish Council who is (preferably) not a signatory, regarding the underlying records (bank statements and minutes plus copies of accounts papers etc) at least biannually • The bank reconciliation is reported to the Parish Council and minuted • The latest financial position including cash balances and budget position is reported on quarterly by the RFO at a full Council meeting.
Financial Regulations	<p>The Parish Council has adopted financial regulations, based on the model version prepared by NALC. The regulations are reviewed for continued relevance and amended where necessary by the RFO with any proposed amendments subject to approval by the Parish Council.</p>
Order/Tender controls	<ul style="list-style-type: none"> • 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.
Payment controls	<ul style="list-style-type: none"> • Depending on the nature of the supply, the RFO signs the purchase invoice to indicate that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct. • Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable • All invoices for payment are listed on an agenda paper, where the payment is to be minuted • Payments made are listed in the minutes of the meeting. Original invoices are available to the Councillors signing the cheques • Cheques (when required) will be signed by two councillors, who are authorised to sign as shown on the council's bank mandate. • The council has a BACS system in place. The RFO is authorised to set up BACS payments online but as the RFO is not an authorised signatory, cannot authorise payments. • 5 members of the council are authorised to approve online bank payments. They cannot set up payments, only view and authorise them. • The RFO is authorised to transfer funds internally ie from one of the council's accounts to another, but not to make payments. • The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Council meetings. The RFO will prepare cheques but is not authorised to sign them. • The RFO has been issued a bank charge card with a single transaction limit of £500. This is used for purchases that cannot be made by bank transfer. The RFO consults with the Chair before making a card payment. All card transactions are listed on an agenda paper and minuted at a meeting. • The minute number of the minute authorising bank payments or cheques is detailed on each invoice.

Legal Powers	The Parish Council adopted the General Power of Competence at its meeting on 14 January 2019 (Reconfirmed 9 May 2022)
VAT repayment Claims (VAT126)	<ul style="list-style-type: none"> • RFO ensures compliance with VAT notice 749 • RFO ensures that all invoices are addressed to the Parish Council. • RFO ensures that proper VAT invoices are received where VAT is payable. • RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year and submits a claim for repayment bi-monthly (or when the value exceeds £100)
Income controls	<ul style="list-style-type: none"> • RFO ensures that amount of the precept received is in accordance with the precept request sent to the District Council. • RFO ensures that the precept instalments are received when due. • RFO ensures that other receipts (for example interest, cemetery fees) are received when due and correctly calculated. • Receipts are recorded on the cash book when received. • Income is banked promptly.
Financial reporting	A Budget control, comparing actual receipts and payments to the budget is produced by the RFO on at least a quarterly basis, presented at a Parish Council meeting and minuted.
Budgetary controls	<ul style="list-style-type: none"> • The budget is approved by the Parish Council in December, preceding the year to which it relates. • The precept amount is identified following approval of the budget; the precept demand is issued to the billing authority by the date stipulated by the billing authority and in any case before 1st March at the latest.
Payroll controls	<ul style="list-style-type: none"> • The Clerk is an employee and the RFO must register the Council with HMRC via Brightpay Payroll Services; the Council, via RFO is responsible for reporting PAYE & NI monthly. • The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary. • The salary is paid by bank transfer. • The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done. • The RFO will act for the Parish Council regarding Pension duties.
Asset Control	<ul style="list-style-type: none"> • The RFO maintains a full asset register • The existence and condition of assets is checked on an annual basis by a member of the Parish Council • The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.