

BOUGHTON PARISH COUNCIL - INTERNAL FINANCIAL CONTROL POLICY

It is a legal requirement that the Parish Council ensures that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

Description	Controls and working practices employed	Frequency	Responsibility
Risk Management			
Supervision of Internal Accounting Procedures	<ul style="list-style-type: none"> A Councillor will be nominated to be the "Verification Officer" to verify the monthly and annual bank reconciliations (prepared by the Clerk/RFO) against the bank statements (in accordance with section 2.2. of the Financial Regulations). The Clerk will, no later than the Friday before the Monday meeting, email the Verification Officer supplying copies of the relevant bank statements and the link to the "Bank Reconciliation" spreadsheet. The Verification Officer will review the documents and will respond by email with a summary of their findings signed by wet ink or electronic signature. The Clerk will report the findings to the full Council. The Verification Officer will have the opportunity to see the original bank statements before or during the Council meeting. 	<p>Monthly</p> <p>An annual review at the year end.</p>	<ol style="list-style-type: none"> Clerk/RFO Verification Officer
Risk Assessments	<ul style="list-style-type: none"> Risk Assessments are carried out at the end of each financial year by the Clerk and approved by the full Council. The checks cover finance, assets and any other activity deemed necessary. The Council's Internal Financial Control Policy is reviewed annually. For financial control purposes, a councillor cannot be a cheque signatory whilst they carry out the role of "Verification Officer". 	<p>At least quarterly</p> <p>Annually</p>	<ol style="list-style-type: none"> Clerk/RFO Full Council

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Insurance	<ul style="list-style-type: none"> Insurance is reviewed annually and changes are reported to the Full Council. The Insurers are advised of any changes and the policy is updated accordingly. 	Annually or when assets change	<ol style="list-style-type: none"> Clerk/RFO Chair Full Council
Banking Arrangements			
Bank Accounts	<ul style="list-style-type: none"> The Parish Council has three Bank Accounts with Nat West Bank: A Current Account, a Reserve Account and a CIL Reserve Account. Currently there are four Councillor signatories authorised to sign cheques:- <ul style="list-style-type: none"> the Chair, Cllr John Shephard, the Vice-Chair Cllr Simon Phipps and Cllrs Rosie McDonnell and Sam Di Pane. For banking purposes only, the Clerk is a signatory but never signs any cheques. Payments are usually made from the Current Account and money is automatically transferred from the Reserve Account. There is an agreement with Nat West Bank that the current account always keeps a minimum balance of £200. Balances are reported monthly to the Full Council via the Verification Officer's report. The Accounts are checked by the Verification Officer, NCALC Internal Auditor and submitted on the Annual Return to the External Auditor. 	Bank Mandate to be reviewed at the AGM and upon a Councillor resigning.	<ol style="list-style-type: none"> Clerk/RFO Verification Officer
Cheques	<ul style="list-style-type: none"> No pre-signed cheques are ever held. Two Councillor signatories are required per cheque. The cheque stubs are always initialled by the two signatories signing the relevant cheque. All invoices are electronic and which are saved to a shared folder that every Councillor has access to. All payments are reported and approved at Council meetings and listed in the Minutes. 	All payments are checked on a monthly basis ahead of Full Council meetings.	<ol style="list-style-type: none"> Clerk/RFO Signatories of the cheques

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	<ul style="list-style-type: none"> Invoices that require settlement between Council meetings are submitted for checking and authorised by two Councillors Signatories. These payments are listed separately and reported at the next Full Council meetings and in the Minutes. 		
Direct Debits (DD) and Standing Orders	<ul style="list-style-type: none"> Variable Direct Debit Payments drawn on the Council's bank account:- <ul style="list-style-type: none"> auto- enrolment pension payments to Aviva pension administration to Aviva HM Land Registry SSE Energy The approval of the use of variable direct debit are renewed annually at the Annual General Meeting (AGM), by resolution of the Council. Due to previous experience of the bank delaying implementing/changing standing orders, the Clerk's salary is paid monthly by cheque. 	A report of the Direct Debits are reported each month.	<ol style="list-style-type: none"> Clerk/RFO Full Council
Petty Cash & Online Banking	<ul style="list-style-type: none"> Payments can only be made via cheque which are approved at full Council meetings. No cash is used The Council is not registered for internet or telephone banking. 	n/a	n/a
Employment			
Salaries and PAYE	<ul style="list-style-type: none"> Salary scales are agreed annually by Council in accordance with the National Association of Local Councils and calculated pro rata to agreed hours worked per 37 hour week (currently 20 hours for the Clerk). The Council employs the services of a payroll provider (Natalie Green & Co) for the preparation of payroll, deductions for Tax, NI, Employers NI, clerk's pension and for 	Annually at the AGM / Monthly / Every 3 months Annually	<ol style="list-style-type: none"> Payroll provider Clerk/RFO Full Council

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	<p>Real Time reporting to HMRC. Payments for Income Tax, and National Insurance are made every three months to HMRC.</p> <ul style="list-style-type: none"> • Employment contracts are reviewed annually at the AGM. 		
Expenses	<ul style="list-style-type: none"> • The Clerk's mileage expenses are paid through the monthly payroll. The Clerk keeps a log of mileage which is available for inspection by any Councillor. • Councillors are allowed travel expenses incurred in connection with Parish Council business. Travel on public transport will be at the standard class rate. Any other expenses claim by a Councillor requires prior authorisation of the Council. Any claim for expenses by a Councillor is submitted in writing, with relevant receipts, to the Clerk. 	Claims are normally made on the occasion of unusual expenditure (e.g. attendance or training)	<ol style="list-style-type: none"> 1. Clerk/RFO 2. Full Council
Pension Auto Enrolment	<ul style="list-style-type: none"> • The Council has one employee (the Clerk) who meets the qualifying criteria to be automatically enrolled into a pension scheme. • The Council fully complies with legislation. 	Monthly	<ol style="list-style-type: none"> 1. Clerk/RFO 2. Payroll provider
Expenditure			
Invoicing process	<ul style="list-style-type: none"> • All invoices are paid on a monthly basis and are checked by the Clerk/RFO. Electronic copies are saved centrally for the full Council to access. 		<ol style="list-style-type: none"> 1. Clerk/RFO 2. Full Council
Budgetary Controls	<ul style="list-style-type: none"> • All expenditure is agreed by Council and minuted. • The Clerk/RFO advises Council of the impact of any expenditure on the budget. Quarterly summaries of budget and expenditure to date and any income are provided at Full Council Meetings. • There is no requirement for the Council to keep expenditure strictly within budget but every endeavour is made to ensure this is generally the case. 	<p>Monthly</p> <p>As required</p>	<ol style="list-style-type: none"> 1. Clerk/RFO 2. Full Council

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Tenders and Quotations	<ul style="list-style-type: none"> The Parish Council will obtain three quotations for contracts in excess of £3,000. Contracts in excess of £10,000 will be subject to formal tender. 	As necessary	1. Clerk/RFO 2. Full Council
VAT	<ul style="list-style-type: none"> A report for refund of VAT is submitted annually to HMRC either by the end of the financial year. The BACS payment will be paid directly to the Parish Council's bank. 	Annually (to save administration costs)	1. Clerk/RFO
Pre-authorised Expenditure	<ul style="list-style-type: none"> Any two of the Chair, the Vice-Chair and the Clerk have the authority to incur any expenditure or to issue a cheque up to £250 where it is, in their view, necessary or desirable to act without delay. Any pre-authorised expenditure will be reported to the Council at the next Parish Council meeting and recorded in the Minutes. 	As required	1. Clerk/RFO 2. Chair 3. Vice Chair
Chair's Allowance	<ul style="list-style-type: none"> Under s.15 of the LGA Act of 1972, the Council makes a payment to the Chair to reflect additional costs that will be incurred by fulfilling their Parish Council duties. The revenue budget for 2022/2023 allows for an allowance of £495 (previously £500). 	Annually	Chair
Grants	<ul style="list-style-type: none"> The Council has a separate Grants Policy. Payments are minuted and listed accordingly. 	Throughout the financial year.	Full Council
Community Infrastructure Levy (CIL)	<ul style="list-style-type: none"> The Council has a separate CIL Allocation Policy, detailing the legal conditions in which the money must be spent and a robust consultation scheme. All decisions involving the approval of CIL payments will be made at full Council meetings and the funds will be spent within 5 years of receipt. The Council will not take out third party loans in anticipation of future CIL receipts. 	Paid twice a year normally in April and October.	Full Council

Signed: Cllr John Shephard (Chair)

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