



Internal Control Statement and Checklist

This policy is supplemental to, and does not in any way override, the Parish Council standing orders and/or Financial Regulations.

This policy was adopted by the full parish council at its meeting on 8 September 2025 (minute 25.60.2)

This policy will be reviewed annually.

1. **Overview**

- 1.1 The Accounts and Audit Regulations 2015 require smaller authorities each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with the proper practices in relation to accounts.
- 1.2 The proper practices are set out in the document entitled Governance and Accountability for Smaller Authorities in England, updated each year.
- 1.3 In order for the Parish Council to review the effectiveness of the internal control system and to inform its responses to the Assertions on the Annual Governance Statement, there needs to be clarity on the internal controls in place.
- 1.4 Some internal controls are listed in the Financial Regulations document, but the system of controls goes beyond this. A Statement of Internal Controls has therefore been prepared.

2. **Statement of Internal Controls**

2.1 Standing Orders and Financial Regulations

The Parish Council has adopted financial regulations and standing orders, based on the model versions prepared by NALC (The National Association of Local Councils). The regulations and orders are reviewed for continued relevance at least annually and amended where necessary by the Responsible Financial Officer with any proposed amendments subject to approval by the Parish Council. These documents provide the framework for financial and governance decision-making and knowledge of the contents and adherence provides some measure of ensuring that the Parish Council acts lawfully and with best practice to safeguard public funds.

This control supports Assertion 3 of the Annual Governance Statement.

2.2 Safeguarding Public Money

The Parish Council has appointed a Responsible Financial Officer who has formal responsibility for determining the system of financial control.

The financial information is kept using an Excel spreadsheet (the cashbook) which is populated with information such as invoices and receipt vouchers.

This information is added on a frequent basis and a reckoning is kept of total amounts paid out against agreed budgets (the budget monitoring document).

All payments to be made are notified through the issue, with each meeting agenda, of an appended payments schedule which shows payments made in the previous month and those payments which have fallen due in the current month. Copies of invoices and receipt vouchers are circulated with the agenda. Councillors can check invoice totals against those recorded on the payment schedule.

All payments are resolved to be paid by a show of hands at the meeting and such resolution recorded in the minutes of the meeting.

These controls support Assertion 1 of the Annual Governance Statement and support Part A, B and J of the Internal Auditor Checklist

2.3 Ordering Goods and Services – Thresholds and Authority

Thresholds

The following thresholds apply:

Orders may be placed, up to £500, by the clerk provided that a budget has been allocated and is not exceeded by placing the order (Fin. Reg. 5.15);

In an emergency, there is delegated authorisation for the clerk to spend up to £2,000, in consultation with the Chair if available, but expediently to avoid further risk to council assets, services or reputation (Fin. Reg. 5.18);

For all goods costing above £250, official orders/emails are sent to suppliers (Fin. Reg 5.20);

For goods that will cost between £500 and £5000 (excluding VAT) three comparative estimates are sought, which can be online comparisons or formally supplied quotations (Fin. Reg 5.9);

For goods and services costing above £5000, three fixed price quotations are sought (Fin. Reg. 5.8) and authority to spend is by decision of the full council;

Goods/services costing above £30,000 (including VAT) are regulated by legislation and must be advertised accordingly (Fin. Reg 5.7);

Goods/services that will cost over £60,000 must be offered through a formal tender exercise (Fin. Reg. 5.6);

Regulations and thresholds set out in the Procurement Act 2023 and related Regulations must be followed (Fin. Reg 5.4).

Authority

Authority to order and commit money is resolved by the council at its meetings and such decisions are duly recorded in the minutes.

Payments which are recurring at frequent intervals are notified on the April

agenda and agreed and minuted. Each time a repeated payment is made it is recorded on the payment schedule in the usual way.

Small value items may be purchased by the clerk and councillors on their own account and, through the expenses reclaim process, be reimbursed. Items over £250 must have agreement of the council before any order is placed or payment made that requires reimbursement.

Special circumstances may require the placing of an order without the required decision of the council. This might be to respond to an emergency or to secure a time-limited quoted price. These orders must be notified before purchase to at least two other councillors and tacit agreement received before the order is placed and the funds committed. At the next meeting, the details of the order and the special circumstances are to be reported to the council and noted in the minutes of the meeting.

These controls support Assertion 1 and Assertion 3 of the Annual Governance Statement and support Part A, B and J of the Internal Auditor Checklist

2.4 Receipts

Clerk/RFO ensures that the amount of the precept received is correct in accordance with the precept request sent to Cheshire West and Chester Council. Clerk/RFO ensures that other receipts (deposit interest, allotment rents) are received when due and correctly calculated.

All Receipts received are presented at the meeting following their receipt. Details of receipts are recorded in the minutes of the meeting. Income is banked promptly

These controls support Assertion 1 of the Annual Governance Statement and support Part A and E of the Internal Auditor Checklist

2.5 Banking

The Clerk/RFO will be the administrator of the council's bank account, will have access to view the accounts, download statements and input details to allow payments to be made.

At least five councillors will be bank signatories. Bank signatories may view the accounts, download statements, authorise payments and instruct the bank to add or remove signatories.

These controls support Assertion 1 and 2 of the Annual Governance Statement and support Part C of the Internal Auditor Checklist

2.6 Cash

The Parish Council does not hold petty cash.

Cash is rarely received, and is banked promptly and in entirety, with relevant entry made to the cash book.

These controls support Assertion 1 and 2 of the Annual Governance Statement and support Part F of the Internal Auditor Checklist

2.7 Reconciliations

The cash book is kept electronically using Excel, maintained up to date from original documents (cash received slips, invoices, payments made, including direct debits and standing orders). The cash book is reconciled to the bank statement monthly by comparing entries on the bank account to those made in the cashbook. Evidence of reconciliation is presented to each monthly meeting of the Parish Council, with the relevant figures recorded on the agenda and on the minutes.

The documents are presented at every meeting held and are signed and approved by a member of the council who is not the Chair of the Parish Council or a signatory on any bank mandate.

The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved through the minutes.

These controls support Assertion 1 and 2 of the Annual Governance Statement and support Part I of the Internal Auditor Checklist

2.8 Budgetary Controls

A proposed budget is prepared following consultation with the Parish Council and this is discussed and approved at a meeting of the full Parish Council.

The precept is set on the basis of the agreed budget.

A budget monitoring document, comparing actual receipts and payments to the agreed budget is prepared and presented to the meeting each month.

These controls support Assertion 1 and 8 of the Annual Governance Statement and support Part A and D of the Internal Auditor Checklist

2.9 Payroll Controls

Employee contracts are in place, following the NALC Model 2011. All employees are paid under PAYE as an employee and the necessary system for HMRC RTI is in place.

Payroll is outsourced to Haines Watts. As close to the 10th of each month, hours of work are collected and sent to Haines Watts who return draft employee salary slips and details of payments to be made to HMRC. These are checked by the clerk and the summary document is made available to those councillors nominated that month to authorise the payments through online banking.

All employees' salaries or adjustments are agreed by the Parish Council and a minute is prepared to show the agreed salary. Salaries are paid electronic bank transfer on or around 15 day of each month.

The Clerk/RFO ensures all necessary payments are made to HMRC and retains evidence that this has been done

These controls support Assertion 1 and 8 of the Annual Governance Statement and support Part G of the Internal Auditor Checklist

2.10 VAT Reclaim

Clerk/RFO ensures that all invoices are addressed to the Parish Council. Clerk/RFO ensures that proper VAT invoices are received where VAT is payable.

VAT amounts are entered into the cash book in a separate column, to show clearly the amount of VAT which is due for reclaim.

VAT is reclaimed by the Clerk/RFO at least twice a year and the amounts received reported to the meeting and entered as receipts to the cash book.

These controls support Assertion 1 of the Annual Governance Statement and support Part A and E of the Internal Auditor Checklist

2.11 Assets Management

A full asset register is maintained and updated as soon as any changes take place.

The existence and condition of assets is checked on a six monthly basis by an employee or a councillor and on an annual basis by councillors nominated to do so, and such is recorded as an appendix to the Asset Register.

The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal and any changes necessary during the annual period through purchase or disposal are notified to the insurance company.

Whenever a new asset is purchased the insurance company is advised and any recommendation of an increase in premium is advised to the Parish Council.

These controls support Assertion 1 and 8 of the Annual Governance Statement and support Part A and H of the Internal Auditor Checklist

2.12 Risk Management

A Risk Management Register is kept, with an annual review undertaken by the Parish Council.

Any risk assessments which are required for new activities are prepared in advance by the clerk.

These controls support Assertion 2,3 and 5 of the Annual Governance Statement and support Part C of the Internal Auditor Checklist

3. **The Review**

3.1 Twice each financial year one of the Finance Portfolio members, who must not be a signatory to the bank mandate, nor the Chair of the Parish Council, shall carry out a review of the internal controls of the Parish Council and shall verify by signature to the checklist (appendix A) that such a review has taken place.

3.2 The signed checklist shall be presented to a meeting of the Parish Council and accepted by that meeting as a verification that a review of the internal

controls has been duly carried out.

3.3 Any recommendations of actions to be taken shall be discussed and agreed at the meeting of the Prish Council.

4. **Monitoring and Review**

4.1 This Statement of Internal Control and accompanying checklist will be monitored and reviewed annually by the Parish Council.

Appendix A – Checklist for Internal Control

The following checks, by random sampling where appropriate, were carried out by me and I can confirm by initialling and full signature and date below, that I am satisfied that the correct procedures, as detailed in the Statement of Internal Control, were being adhered to.

Ref.	Check:	Initial
2.1	That either the Standing Orders or Financial Regulations had evidence of annual review. <i>This can be found by checking the last review date on the front cover of the documents and/or finding the minute reference which relates to the documents being reviewed.</i>	
2.2; 2.7	That the cash book entries are up-to-date. <i>Check the cash book which is an Excel spreadsheet kept on the computer.</i>	
2.2; 2.7	That a sample of payments identified on a bank statement relate to goods invoiced and such payments are listed on the cash book. <i>Check bank statements, cash book entries and folder containing invoices.</i>	
2.3	That any goods/services costing above £5000 were ordered only following consideration of three quotations. <i>Check emails and minutes of relevant committees.</i>	
2.3	That orders for goods/services can be traced. <i>Check the file for order references or ask for copies of emails which support orders.</i>	
2.3	That payments for a sample month have been listed in the minutes of the meeting. <i>Check either the minute book or online minutes available on the website.</i>	
2.3	That goods/services paid for by employees have followed the correct procedure for reclaim. <i>Check the folder containing invoices kept in the office.</i>	
2.4	That a sample receipt appears in the minutes and is cross-referenced with an entry on a bank statement and cashbook. <i>Check any minutes and corresponding month's bank statement.</i>	
2.7	That bank reconciliations have been signed by a councillor and that the corresponding statement of accounts has been countersigned and that the cash book entry agrees with the figures. <i>Check in the electronic accounts folder and on the cash book Excel file and on a bank statement.</i>	

2.8	That budget monitoring documents have been presented to a relevant committee. <i>Check the minutes of a committee.</i>	
2.9	That a sample entry in the payroll system reconciles with a payment made. <i>Check an entry in the payroll system and compare to a bank statement entry/cheque counterfoil.</i>	
2.10	That a sample VAT return has been completed. <i>Check VAT reclaim paperwork against receipts in the minute book or entered in the cash book or appearing on a bank statement.</i>	
2.11	That the assets register has been reviewed. <i>Check the review date on the document and check the minutes for the review approval.</i>	
2.12	That any new assets purchased have been notified to the insurance company and any necessary additional premiums paid. <i>Check minutes for any purchases and emails for insurance premium quotations.</i>	
2.13	That the Risk Management Register has been reviewed. <i>Check the review date on the document and check the minutes for the review approval.</i>	

Certified by _____

Date _____

Presented to the Parish Council meeting on _____

Resolved by that meeting at minute _____