

## Document Control

Adopted date: March 2026

Next review date: March 2027

# Caistor St Edmund & Bixley Parish Council

## Internal Control Policy

### 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. Caistor St Edmund and Bixley 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. Bank reconciliation and statement(s) circulated to Chair and Vice-Chair. Bank reconciliations of all accounts
----------------------------------	--

Internal Control Policy

	<p>presented to each ordinary meeting of the Parish Council.</p>
<p>Financial Regulations</p>	<p>The Parish Council has adopted financial regulations; the regulations are reviewed for continued relevance and amended where necessary.</p>
<p>Order/Tender Controls</p>	<p>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.</p> <p>Official orders/letters/emails are sent to suppliers for services which are not regular in nature.</p>
<p>Payment Controls</p>	<p>Payments (cheque/electronic) are listed in cheque number order or payment date order in the cash book and in accounts files.</p> <p>All invoices for payment are listed within the Finance and admin report and are formally authorised/noted at Parish Council meeting as part of the agenda.</p> <p>Payments made are listed in the minutes of the meeting.</p> <p>Invoices are available to all Councillors but in particular to the Councillors signing the cheques or authorising electronic payments.</p> <p>Cheques will be signed by two councillors, who are authorised to sign on the Parish Council's bank mandate.</p> <p>Councillors, when signing the cheques, will ensure that there is an invoice or other documentation that corresponds with the payment and that the payment has been agreed by the Council. They will initial the</p>

	<p>cheque stub to confirm that it contains the same information as the cheque.</p> <p>The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Parish Council meetings.</p> <p>Electronic payments will be authorised by two approved signatories, who will ensure that there is an invoice or other documentation that corresponds with the payment and that the payment has been agreed by the Council.</p> <p>When invoices are paid, they are identified by the cheque number or payment date and referenced in the cashbook.</p> <p>As per Financial Regulations, payments may be made between Parish Council meetings subject to members being advised of the detail of the payment and that the payments have been included in the budget and/or previously been authorised or are of an urgent nature.</p>
<p>VAT repayment claims</p>	<p>The RFO ensures that all invoices are addressed to the Parish Council.</p> <p>The RFO ensures that proper VAT invoices are received where VAT is payable.</p> <p>The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.</p>
<p>Income Controls</p>	<p>The RFO ensures that the amount of the precept received is correct in accordance with the precept request sent to the District Council.</p> <p>The RFO ensures that other receipts are received when due.</p>

Internal Control Policy

	The RFO ensures that income is banked promptly.
Financial Reporting	A budget control (Financial Statement), 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.