



# STATEMENT OF INTERNAL FINANCIAL CONTROL

## PURPOSE

This is a statement of Balsall Parish Council's system of internal financial control which has been put in place to ensure adequate and effective financial management of the council.

Each year there will be a review of the effectiveness of these internal controls.

Each year the council will commission an independent internal audit which will include a review of the internal financial controls.

## CONTROL PROCESSES

<b>Legal Powers</b>	The legal power for expenditure is the General Power of Competence, reconfirmed or otherwise at the Annual Parish Council Meeting. Should this power not be used, the appropriate alternative power will be shown on the agenda and minutes for the expenditure made.
<b>S137 payments LGA 1972</b>	<ul style="list-style-type: none"><li>• Annual s137 maximum amount is calculated and controlled via reference in the council minutes.</li><li>• Each s137 expenditure item is recorded in the cash spreadsheet.</li><li>• Each record of s137 expenditure is minuted.</li></ul>
<b>Financial Regulations</b>	Financial Regulations are reviewed on an annually and for continued relevance during the year and approved by the council.
<b>Budget</b>	<ul style="list-style-type: none"><li>• The budget is approved by the council in January each year.</li><li>• Quarterly budget comparisons to actual receipts and payments are prepared and reported quarterly to full council meeting and minuted.</li></ul>
<b>Income</b>	<ul style="list-style-type: none"><li>• The precept amount is identified in January each year following approval of the budget, the precept amount is notified to SMBC in January.</li><li>• The precept amounts received on the dates due are checked.</li><li>• Other receipts (bank interest, grants, cemetery fees) are checked for receipt when due and correctness.</li><li>• Receipts are recorded in the cash spreadsheet when received.</li><li>• Cheque income is banked promptly after receipt.</li></ul>
<b>VAT</b>	<ul style="list-style-type: none"><li>• All invoices to be addressed to Balsall Parish Council.</li><li>• VAT invoices are required with identification of business VAT registration.</li><li>• VAT account maintained and a claim submitted for repayment every 6 months.</li><li>• VAT payable to be identified on council agendas and minutes listing payments made.</li></ul>
<b>Assets</b>	<ul style="list-style-type: none"><li>• Asset register maintained up to date.</li><li>• Asset register is approved by the council annually.</li><li>• The existence and condition of assets is checked on an annual basis.</li><li>• The adequacy of the insurance to cover the assets is considered annually in advance of insurance renewal.</li><li>• A revaluation of assets is undertaken every 3 years.</li></ul>



## Balsall Parish Council

<b>Orders and Tenders</b>	<ul style="list-style-type: none"><li>• Estimates, quotes and full tenders are sought in line with Financial Regulations and documented.</li><li>• Purchase orders are used for supplies and services not regular in nature.</li></ul>
<b>Contracts</b>	<ul style="list-style-type: none"><li>• The councils contracts will be performance monitored throughout the year.</li><li>• Contracts will be reported to council at the Annual Parish Meeting for approval.</li><li>• Contracts will be reviewed at least every 3 years.</li></ul>
<b>Payroll, Allowances and Pension</b>	<ul style="list-style-type: none"><li>• Clerk/RFO salary, overtime and any changes to salary approved by council.</li><li>• Member allowances set by council annually.</li><li>• External payroll provider issued with approved salary/allowance/pension levels.</li><li>• Printed payslips are provided to employee and members.</li><li>• The salary is paid by standing order and/or cheque.</li><li>• HMRC payments to be made quarterly on the basis of the payroll report.</li><li>• Pension payments requested monthly from provider on the basis of the payroll report.</li></ul>
<b>Expenses and Reimbursement</b>	<ul style="list-style-type: none"><li>• Expense and Reimbursement claims to be made separately.</li><li>• Receipts to be attached.</li><li>• Claims to be coded to budget head.</li><li>• Claims to be signed by claimant.</li></ul>
<b>Cash Spreadsheet</b>	<ul style="list-style-type: none"><li>• Cash book reconciled to bank statement monthly.</li><li>• Reconciled accounts reported to council meetings.</li></ul>
<b>Payments</b>	<ul style="list-style-type: none"><li>• Invoice matched to purchase order/email/letter</li><li>• Invoice verification- goods received, not previously paid, correct</li><li>• Payment listed in sequential voucher number order in cash spreadsheet, on purchase invoice and bank statement</li><li>• Cheque and invoices signed by 2 signatories</li><li>• Bacs payment (HSBC a/c only) authorised online by 2 signatories and holders of the access code and security</li></ul>
<b>Verification</b>	<ul style="list-style-type: none"><li>• The cash spreadsheet, payments and receipts and bank reconciliation may be reviewed against records of bank statements, minutes, accounts etc and approved by a member or members of the council as nominated (not a bank signatory) quarterly.</li><li>• The bank signatories and bank mandates are reviewed annually.</li></ul>

This statement is cross-referenced to the following Balsall Parish Council's adopted policies and procedures:

Financial Regulations  
Standing Orders  
Asset Register  
Risk Assessment  
Expenses and Allowances and Reimbursement Policy

Statement of Contracts  
Payroll Policy