Cromhall Parish Council

Internal Controls Procedure

Version	Date adopted	Minute ref:	Details / Key Changes	Review due
1.0	24/02/2026	2026/02/10.3	First adoption. Written by clerk/RFO.	Feb 2027

Contents

1 Purpose

This document sets out Cromhall Parish Council's internal control framework. Its purpose is to ensure:

- Effective financial management
- Compliance with legislation and proper practices
- Protection of public funds
- Transparent and accountable decision-making
- Clear delegation and separation of duties

These controls support the Council in meeting its responsibilities under the Accounts and Audit Regulations, the Local Government Act 1972, and recognised governance standards for smaller authorities.

2 Roles and Responsibilities

2.1 Full Council

- Approves the annual budget and precept
- Approves all policies and reviews them when due, or if advised by the Clerk/RFO that amendments are necessary to comply with changes in legislation, guidance or best practice
- Approves all payments (directly or via delegated authority)
- Monitors financial performance
- Appoints internal and external auditors (external via SAAA contract)

2.2 Chair of the Council

- Provides oversight and acts as a counter-signatory where required
- Supports the Clerk/RFO in ensuring compliance
- Acts in consultation with the Clerk/RFO to take any decisions required under the adopted Delegation of Powers Policy

2.3 Clerk & Responsible Financial Officer (RFO)

- Manages day-to-day financial administration
- Maintains accounting records
- Prepares financial reports, budget monitoring, and year-end accounts
- Ensures internal controls are implemented and reviewed
- Acts in consultation with the Clerk/RFO to take any decisions required under the adopted Delegation of Powers Policy

2.4 Internal Auditor

- Provides independent review of financial systems and controls
- Reports annually to the Council

3 Banking and Payment Methods

3.1 Banking

The Council holds current and savings accounts with Unity Trust Bank, a UK-based institution regulated by the Financial Services Authority.

Online banking access is restricted to the Clerk/RFO for administration and to appointed signatories for authorisation of payments. The council will appoint three members as authorised signatories.

The Clerk/RFO holds the cheque book and banking records.

3.2 Cash Handling

The Council does not handle cash except in exceptional circumstances; any cash received is banked promptly and recorded.

3.3 Use of Pre-paid Debit Card

The council holds a pre-paid debit card with Pockit, a UK-based institution regulated by the Financial Services Authority. The card is in the name of the Clerk/RFO.

Transfers of funds onto the Pockit card are authorised by full council and made by bank transfer with dual authorisation, in line with other payments.

A balance of not more than £250 shall be held on the card unless a higher balance is specifically authorised by full council in exceptional circumstances.

The Clerk/RFO is authorised to make payments under £100 for office supplies or other minor items required using the Pockit card. Any payments on the card will be reported to the council each month.

Any payment over £100 will be approved in advance by the council unless it is an emergency payment made under the Delegation of Powers Policy.

3.4 Use of Personal Credit/Debit Cards

Personal credit or debit cards of members or staff shall not be used except for expenses of up to £50 including VAT, where the is no other reasonable method of payment.

4 Payroll Controls

4.1 Payroll Processing

Payroll is processed monthly by the appointed payroll provider, PATA Payroll Services

PAYE and National Insurance dues are calculated and submitted to HMRC by the payroll provider.

An employee payslip and copy of the HMRC submission (form P32) are supplied to the council around the 15th of each month.

PATA calculate any changes due to pay awards or other contractual amendments and provide a copy of the results of these calculations to the council.

4.2 Verification and Approval

Staff payments (salary, home working allowance and payments to HMRC) are approved en bloc for the year at the annual meeting of the council.

Any changes to pay, hours, or contractual terms are approved by Full Council and minuted.

4.3 Payments

Salary payments are made by bank standing order on the last working day of each month. Any amendments to the standing order are reported to the council and authorised by two signatories.

HMRC payments are made quarterly by direct debit.

4.4 Records

Payroll records are retained for at least six years.

Confidentiality is maintained in line with UK GDPR.

5 Approval of Payments

5.1 Invoices and Claims

All invoices must be addressed to Cromhall Parish Council and checked by the Clerk/RFO for accuracy and budget availability.

Minor purchases (e.g. stationery or equipment) made under delegated power may be supported by till receipts.

Councillors or staff claiming expenses must submit a signed claim form, with receipts where appropriate. Expense claims for travel by car does not require receipts. Car travel is reimbursed at the current HMRC mileage rate.

No individual may authorise their own expenses.

5.2 Payment Process

The Clerk/RFO prepares a monthly payment schedule, showing any payments made under prior approvals as well as payments due.

The schedule and accompanying invoices are checked & initialled by two councillors prior to approval of the due payments by full council.

Once approved, payments are made via online banking or cheque. Two signatories must authorise each payment.

Payment details are recorded in the cashbook and reported at the next meeting.

5.3 Urgent Payments

In exceptional cases (e.g. for emergency repairs), the Clerk/RFO may approve urgent payments of up to £500 under the Delegation of Powers Policy. Such payments will still require authorisation of two signatories.

Such payments must be reported to the next Full Council meeting.

6 Accounting Records

The Clerk/RFO maintains the cash book and accounting records using the Easy PC Accounts package.

This includes budget monitoring and earmarked reserves.

7 Budgetary Control and Monitoring

The Council approves the annual budget before setting the precept.

The Clerk/RFO provides quarterly budget monitoring reports. Significant variances are explained and corrective action proposed.

Virements between budget headings require council approval.

8 Audit

8.1 Internal Audit

The internal audit is conducted annually by an independent, competent person appointed by the full council.

The internal auditor reviews financial systems, controls, and compliance. Their findings must be reported to the next meeting of the full council. Any required improvements shall be actioned promptly.

8.2 Annual Governance and Accountability Return

The Clerk/RFO will complete the Accounting Statements and supporting documentation and shall certify them as correct. Copies will be supplied to councillors at least 14 days before the expected date of approval.

The Annual Governance Statements will be considered by full council and responses to each statement resolved.

Following that, the Accounting Statements will be considered for approval.

The AGAR documents will be signed by the Clerk/RFO and Chair of the approving meeting and the dates for public rights of inspection approved at the same meeting.

The Clerk/RFO is responsible for publication of the AGAR and supporting documents, posting of the notice of public rights, and submission of all required information to the external auditor.

8.3 External Audit

External audit is undertaken by a provider appointed by the Smaller Authorities Audit Appointments panel. Currently for the Avon area this is BDO LLP.

The Clerk is authorised to provide any additional information requested or answer questions from the external auditor.

External auditor reports are published on the website no later than 30th September each year.

9 Asset and Risk Management

The Clerk is responsible for keeping the Asset Register up to date as assets are purchased/disposed of through the year. The Asset Register is presented to full council annually for approval.

The Asset Register includes both fixed value (as reported in the AGAR) and current insurance status/value for all significant assets. The valuation policy is included in the Asset Register.

Insurance cover is reviewed annually to ensure adequate protection.

The Risk Management Policy is reviewed every four years and the accompanying Risk Register is reviewed annually.

The children's play area at Townwell is inspected monthly by a councillor who has undergone appropriate training and annually by a qualified inspector. The results of both are reported to the council.

Other physical assets are formally inspected annually and the results reported to council. Informal inspections are undertaken during visits for other purposes (by the Clerk, councillors or grounds maintenance contractors) and any maintenance needs reported to the council.

10 Policy Review Process

10.1 Annual Review Cycle

The Council undertakes a rolling programme of policy reviews.

The Clerk/RFO maintains a record of reviews including the date the next review is due and is responsible for ensuring that reviews are added to the appropriate meeting agenda.

10.2 Review Process

The Clerk/RFO will consider each policy and any related changes to legislation, guidance or accepted best practice and supply a draft version including any recommended amendments to council.

Further amendments may be put forward during the relevant agenda item.

The final version is approved by full council.

The Clerk/RFO will record the date of review, minute reference and the next review due date, and is responsible for publishing the latest versions on the website where appropriate.

11 Transparency

All financial information required by the Transparency Code for Smaller Authorities is published on the council's website.

12 Review of Procedure

This procedure will be reviewed at least annually. To maintain consistency, the review will normally be undertaken at the same time as the review of Financial Regulations.