Version	Description of Change	Reviewing Officer	Reviewing Committee	Frequency of Review	Minutes reference adopted	Next Review Date
1.0	New Policy	Katherine Hyett - Clerk	F&GP 28.07.26 Full Council 11.08.26	Annual	FC/110826/10	11/08/2027

Burwell Parish Council Internal Controls Policy

This policy sets out the internal control arrangements used by Burwell Parish Council to safeguard public money, ensure proper financial administration and support the effective management of risk.

1. Purpose

Burwell Parish Council is responsible for ensuring that its business is conducted in accordance with proper financial practices and that public funds and assets are safeguarded. The Council recognises its duty to maintain effective internal controls designed to prevent and detect fraud, corruption, error and misuse of resources.

The Council will review the effectiveness of its internal controls at least annually, or sooner if there is a significant change in circumstances.

2. Scope and Responsibilities

This policy applies to all councillors, employees, contractors and volunteers involved in the administration of Burwell Parish Council.

The Responsible Financial Officer (RFO) is responsible for the day-to-day administration of the Council's financial affairs and implementation of internal controls. Oversight is provided by the Finance and General Purposes Group, which monitors financial management arrangements and reports to Full Council.

3. Governance Framework

- The Council shall adopt and regularly review Standing Orders.
- The Council shall adopt and regularly review Financial Regulations.
- The Council shall maintain adequate insurance cover.
- An independent Internal Auditor shall be appointed annually.
- Internal and External Audit reports shall be considered by Council.
- An annual review of the effectiveness of internal control shall be undertaken and recorded.

4. Internal Control Arrangements

4.1 Expenditure Controls

- All invoices shall be presented to Council as a separate agenda item where required by the Council's procedures.
- No payment shall be made unless approved by Council or under delegated authority.

- Expenditure shall be monitored against approved budgets.
- Competitive quotations and tender procedures shall be followed in accordance with Financial Regulations.
- Supporting invoices and documentation shall be available for inspection before payment approval.

4.2 Payment Controls

- All BACS payments shall require approval by at least two authorised councillor signatories.
- The RFO shall verify the invoice, supplier details, and payment amount before submitting the payment for Council approval. Following approval, the payment shall be submitted to the authorised signatories for final checks and authorisation.
- Changes to supplier banking information shall be independently verified before payment.
- An audit trail of approvals and payments shall be retained in the accounting records.

4.3 Payroll Controls

- Salaries shall be paid only to authorised employees.
- Salary scales and contractual changes shall be formally approved.
- PAYE, National Insurance and pension contributions shall be processed in accordance with statutory requirements.
- Payroll records shall be retained securely.

4.4 Income Controls

- All income shall be recorded promptly and accounted for accurately.
- Invoices shall be raised where appropriate and receipts monitored.
- Debtors shall be reviewed periodically and any write-off shall be approved by Council.
- Wherever possible, electronic payment methods shall be used in preference to cash.

4.5 Cash and Banking

- The Council maintains bank accounts with Unity Trust Bank and CCLA.
- Bank reconciliations shall be completed regularly by the RFO.
- Reconciliations shall be reviewed quarterly by members of the Finance and General Purposes Group.
- Bank balances shall be reported to Council as part of financial monitoring.
- The Council will endeavour to minimise receipt of cash wherever practicable.

4.6 Budget Setting and Monitoring

- An annual budget shall be prepared before the precept is set.
- Budget monitoring reports shall be presented regularly to Council.
- Significant variances shall be explained and recorded.
- Spending decisions shall be assessed against available budgets before commitments are made.

4.7 Reserves

- The Council shall determine its level of reserves having regard to guidance issued by the Joint Panel on Accountability and Governance (JPAG), the Council's financial risk assessment, anticipated expenditure, and operational requirements. The Responsible Financial Officer shall advise the Council annually on the appropriate level of reserves to be maintained.

- Earmarked reserves shall be reviewed annually.
- Reserve levels shall be considered during the annual budget-setting process.
- The Council shall maintain a Reserves Policy.

4.8 Assets

- An Asset Register shall be maintained and reviewed annually, including primary location of equipment.
- Employees may take Council-owned equipment off-site where required for Council business.
- All Council equipment taken by non-employees must be recorded by the Clerk, Assistant to the Clerk, or RFO. Records must include the borrower's name, the equipment issued, the date taken, and the date returned.
- All assets shall be appropriately insured and recorded on the Asset Register.
- Disposal of assets shall follow Financial Regulations and legislation.

4.9 Insurance

- The Council shall maintain insurance cover appropriate to its activities and risk profile.
- Insurance shall include Fidelity Guarantee Insurance, Employers' Liability Insurance, Public Liability Insurance, buildings and contents cover, legal expenses cover, structures cover, and cover for events where appropriate.
- Insurance arrangements shall be reviewed annually before renewal.

4.10 Information Security and Business Continuity

- Financial and administrative records shall be maintained electronically and backed up regularly.
- The Council operates electronic backup and cloud storage arrangements.
- Minutes and key records shall be retained securely.
- Online banking access shall be password protected and restricted to authorised users.
- Legal documents, leases and deeds shall be held securely through the Council’s solicitors.
- Bank account details and key continuity information shall be available to the Chair for business continuity purposes.

4.11 Risk Management

- The Council shall maintain a Finance Risk Assessment.
- The assessment shall be reviewed annually and approved by Full Council.
- Risk management shall be a standing consideration of Council business.

4.12 Internal and External Audit

- An independent Internal Auditor shall be appointed annually.
- Internal Audit reports shall be considered by Council.
- Recommendations shall be implemented where appropriate.
- External Audit reports shall be reviewed and recorded in Council minutes.

5. Annual Review

The Finance and General Purposes Group shall undertake an annual review of the effectiveness of internal controls using this policy, the Finance Risk Assessment, financial monitoring reports, bank reconciliations, internal audit reports and any recommendations arising from external audit. The review shall be reported to Full Council and minuted.