

Broughton Parish Council

STATEMENT OF INTERNAL CONTROLS

Reviewed and adopted on 7th July 2026

1 Introduction

Broughton 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 as well as being 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.

2) The System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- a) identify and prioritise the risks to the achievement of the Council's policies, aims and objectives
- b) evaluate the likelihood of those risks being realised and the impact should they be realised
- c) manage them efficiently, effectively and economically.

3)The Council's Internal Controls Decisions

The Council has elected a Chair who is responsible for the smooth running of meetings and appointed a Parish Clerk to advise the Council for ensuring that all Council decisions are lawful. The Parish Clerk is also the Responsible Financial Officer.

Responsibility

- i)The Council carries out regular reviews of its internal controls, systems and procedures including budgets for both revenue and capital expenditure

Precepts

- ii)BPC reviews its obligations, objectives and projects before determining the level of precept and individual budgets for the following financial year.

Management of Financial Records

- iii)BPC employs a Parish Clerk who acts as the Responsible Financial Officer where specified in law. The Parish Clerk holds qualified Clerk's status and is responsible for advising the Council, processing payments and preparing financial records.

- iv) The Parish Clerk is responsible for managing BPC's chosen accounts program, which is used to record payments, manage budgets, generate reports, reconcile accounts, complete the end of year audit papers and to submit VAT returns to HMRC.

v) Payments- In most cases, invoices are input into the accounting system and a monthly Payments Listing presented to full Council, for decision before payments are made. Where urgent payments are required to meet contractual obligations, the Clerk may seek approval from bank signatories by email and payments are reported to the next available meeting. Payments are made by BACS from BPC's main current account, TSB Bank. Payments are first set up by the Parish Clerk and authorised by two Councillors at a meeting. BPC has two councillors able to authorise payments. No member of staff is expected to handle or transport cash.

vi) Bank Reconciliations- The Parish Clerk carries out monthly bank reconciliations on all bank accounts, and these are reported to the full council at each meeting.

The Council as an Employer – The full council is responsible for monitoring the Staffing budget including recommending the Clerk's salary which is then determined by full Council. BPC is registered with HMRC and uses the HMRC Payroll system to calculate payments. Monthly salary payments are included on the monthly Payments Listing and payments processed by BACS. Staff may reclaim any purchases made on the Council's behalf, subject to the purchase having previously been agreed.

Staff and Councillors may claim reasonable and justifiable expenses incurred in line with BPC's policies on claiming expenses, including as a result of travelling to meetings/training/events which have been agreed by the Clerk or Chair, • For cars - 45p per mile up to 10,000 mile. 2 • Meal allowance: up to £10.00 per day and up to £25.00 per 24 hour period when an overnight stay is required. Expense reclaim forms must be submitted to the Parish Clerk or the Chair of the Council.

viii) Management of Risk- BPC has a Council Risk Assessment which is reviewed and agreed by full Council every year. BPC's insurance cover is provided by Gallaghers Ltd. BPC appoints an independent Internal Auditor annually, who reports to the Council on the adequacy of its: financial records, procedures, systems, internal control and management of risk. This appointment is reviewed and agreed annually. BPC is subject to an annual, external, Intermediate Audit Review which is undertaken by the councils external auditors.