



Review of Effectiveness of Internal Control

Date: 2nd February 2026

Accountability and Governance proper practices are set out in the Practitioners' Guide. This review of the effectiveness of internal control is required annually.

The following is the assertion that needs to be declared in the annual return:

Assertion 2 — Internal control

We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

To warrant a positive response to this assertion, the following processes need to be in place and effective:

1.14 Standing Orders and Financial Regulations - The authority needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the way tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.

BNPC response: Standing Orders and Financial Regulations were reviewed this financial year (May 2025) and are adhered to.

1.15 Safe and Efficient Arrangements to Safeguard Public Money - Practical and resilient arrangements need to exist covering how the authority orders goods and services, incurs liabilities, manages debtors, makes payments, and handles receipts. Authorities need to have in place safe and efficient arrangements to safeguard public money. Where doubt exists over what constitutes money, the presumption is that it falls within the scope of this guidance.

BNPC response: The RFO orders services and goods after resolution at Council meetings. Payments are listed at Council meetings and authorised by two Councillors. Receipts are by order of bank transfer or cheque. No cash is handled. Scribe accounting software is used and bank reconciliation is undertaken monthly.

1.15.1 Authorities need to regularly review the effectiveness of their arrangements to protect money. Every authority needs to arrange for the proper administration of its financial affairs and ensure that one of its officers (the RFO) has formal responsibility for those affairs (see paragraph 1.9 above).

BNPC response: The RFO is responsible for all financial arrangements. Scribe accounting software is used. Monthly bank reconciliations are carried out. Finance checks are carried out



quarterly by a councillor who is not a bank signatory. The RFO provides the end of year accounts and the annual return as soon as possible after year end. These are then authorised by Council, sent to the internal auditor and then sent to the external auditor.

1.15.2 Authorities need to ensure controls over money are embedded in Standing Orders and Financial Regulations. Section 150(5) of the Local Government Act 1972 required cheques or orders for payment to be signed by two elected members. Whilst this requirement has now been repealed, the ‘two-member signatures’ control needs to remain in place until such time as the authority has put in place safe and efficient arrangements in accordance with paragraphs 1.15.3 to 1.15.6 of this guide.

BNPC response: Two member signatures control remains in place in the financial regulations.

1.15.3 Authorities need to approve the setting up of, and any changes to, accounts with banks or other financial institutions. Authorities also need to approve any decisions to enter ‘pooling’ or ‘sweep’ arrangements whereby the bank periodically aggregates the authority’s various balances via automatic transfers.

BNPC response: N/A this financial year.

1.15.4 If held, corporate credit card accounts need to have defined limits and be cleared monthly by direct debit from the main bank account. Credit card balances are not acceptable reconciling items for bank reconciliation purposes.

BNPC response: N/A – credit card not held.

1.15.5 The authority needs to approve every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.

BNPC response: This is undertaken when changes to council members occur.

1.15.6 Risk assessment and internal controls need to focus on the safety of the authority’s assets, particularly money. Those with direct responsibility for money need to undertake appropriate training from time to time.

BNPC response: Risk assessment schedule reviewed annually. Reviewed in August 2025 this financial year.

1.16 Employment - The remuneration payable to all employees needs to be approved in advance by the authority. In addition to having robust payroll arrangements which cover the accuracy and legitimacy of payments of salaries and wages, and associated liabilities, the authority needs to



ensure that it has complied with its duties under employment legislation and has met its pension obligations.

BNPC response: Payroll is outsourced to Payman who provide the clerk with the appropriate schedules on a monthly basis. The clerk has opted out of the pension scheme.

1.17 VAT - The authority needs to have robust arrangements in place for handling its responsibilities regarding VAT.

BNPC response: VAT is reclaimed on a regular basis and at a minimum of every six months.

1.18 Fixed Assets and Equipment - The authority's assets need to be secured, properly maintained, and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.

BNPC response: The asset register is updated when items are purchased or disposed of and at year end.

1.19 Loans and long-term liabilities - Authorities need to ensure that any loan or similar commitment is only entered into after the authority is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements need to be in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities.

BNPC response: N/A – no loans or long term liabilities in place.

1.20 Review of effectiveness - Regulation 6 of the Accounts and Audit Regulations 2015 requires the authority to conduct a financial year review of the effectiveness of the system of internal control. The review needs to inform the authority's preparation of its annual governance statement.

BNPC response: The review is carried out by way of this report.