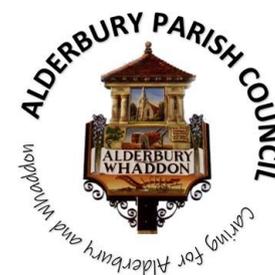


ALDERBURY PARISH COUNCIL

Caring for Alderbury and Whaddon



Statement of internal control

1. **Appointment of Officers and Administrative Arrangements**

- 1.1 The Clerk to the Council is also appointed as the Proper Officer for the several purposes as defined in the Local Government Act 1972 and is also appointed as the Council's Responsible Financial Officer (RFO).
- 1.2 Such other Officers and contracted support staff may be appointed as deemed necessary to assist with the administration of the Council, and they will report to and work under the direction and authority of the Clerk. Their respective core duties in relation to financial matters will be appended to this document.

2. **Governance Arrangements**

- 2.1 The Council is responsible for the consideration and approval of all financial matters. Subject to that, the Council will make and keep under review Financial Regulations and may include within its Standing Orders particular provisions relating to contracts. The Council's System of Internal Control is ancillary to and underpins Financial Regulations and Standing Orders.
- 2.2 Under approved delegation arrangements, the Clerk is responsible for the day-to-day management of all land and property under the Council's control.
- 2.3 The Council will keep under review and report on the Council's system of internal controls.
- 2.4 The Council is required to appoint an independent Internal Auditor.
- 2.5 An annual work programme for the Internal Auditor will be agreed by the Council, and the Internal Auditor will provide a certificate to be submitted with the Statement of Accounts and Annual Return as part of the annual external Audit of Accounts.

3. **Financial and Accounting Procedures**

- 3.1 The following principles shall be observed in connection with accounting duties:
 - a) The duty of providing information, calculating, checking and recording sums due to, or from, the Council should be separated as completely as possible from the duty of collecting or dispersing them.
 - b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.
- 3.2 **Cheque Signatories**
- 3.3 Financial Regulations require that any two Members' signatures are required on cheques and any other method of payment order including the sanction of payments by internet banking that are

issued on the Parish Council's accounts. Members will be asked to provide specimen signatures on a formal list to be held as a Parish Council record and also if required by the Parish Council's bankers.

4 Invoicing

- 4.1 Invoicing for Parish Council services relates only to charges for non-business activities such as burial fees that are charged in accordance with fees and charges set by the Council. Such charges are exempt or outside of the scope of VAT. Payments due to the Council shall be paid within 30 days.

5 Cash and Cheque Handling/Security

- 5.1 The Clerk will receive payments either in person at the council offices or through the post. No other person is authorised to receive cash. Upon the receipt of cash in person, a receipt will be issued. All cash and cheques shall be kept safely in a locked container and shall be banked periodically (at least once a week) by the Clerk. The credit/paying in book will be completed with brief details regarding the payee and purpose of the funds.

6 Salaries and other Staff Payments

- 6.1 Salaries and other staff payments shall be made normally on the 27th of each month, but certainly no later than the last day of each month (by either cheque or BACS). Payments shall be paid on the basis of information agreed and reviewed from time to time by the Parish Council.
- 6.2 The P11 deduction working sheet shall be prepared and maintained by the Council's external payroll provider, and the end of year Form P35 shall be approved by a Member of the Parish, normally the Chair or Vice-Chair, prior to its being filed on line.

7 Budgetary Control

- 7.1 The Clerk (RFO) will ensure that all accounts certified for payment are endorsed with the correct expenditure code within the Council's accountancy system – Scribe.
- 7.2 The Clerk will provide a Budget Monitoring statement for circulation at each council meeting. The statement of accounts will be accompanied by commitment sheets for each budget head showing the true amount available (or overspent as the case may be).
- 7.3 The Clerk (RFO) will provide to each council meeting reconciliation statements of the Parish Council's accounts taken from the information contained in the cash book and the relevant bank statements.
- 7.4 The draft Budget/Precept shall be prepared for presentation to the December Parish Council meeting and, together with any changes required, it shall be submitted to the January meeting for approval of the budget requirement and consequent precept for the next financial year.

8 Procurement

- 8.1 Financial Regulations provide a framework and set procedures for dealing with contracts of certain values. Working beneath that framework, provision needs to be made for the day-to-day operational work of the Parish Council to be administered, and to that end the Clerk is entitled to use petty cash for small purchases.
- 8.2 Financial Regulations require that for contracts of a value exceeding £25,000, tenders from at least three firms must be invited. For expenditures of £25,000 or less, and unless the Council directs otherwise, three quotations are required. Where the value is below £5,000 but above £500, the

Clerk shall strive to obtain three estimates. Even though competitive tendering would not be required, the obtaining of alternative quotations may remain desirable. In some cases however, alternative prices or estimates may be pursued and compared before an official order is placed.

8.3 The Clerk may incur expenditure on behalf of the Council which is necessary for the purposes of any repair, replacement or other work of an urgent nature, whether or not budgetary provision exists for such expenditure, up to a limit of £500. The Clerk shall report the action to the Council at the next available meeting. Payments must be authorised in accordance with para 3.2 above.

8.4 The Council has adopted a Procurement Policy that clarifies these matters and that should be followed at all times.

9 **Asset Management**

9.1 The Council's Asset Register is updated annually and made available online – this is maintained within the Scribe Accountancy system.

10.0 **Risk Management**

10.1 The Council's Risk Management Policy and Annual Risk Assessment is available online.

11.0 **Reviewing the effectiveness of the System of Internal Control**

11.1 The Council is responsible for conducting, at least annually, a review of the effectiveness of the system of internal control. This role will be incorporated within the annual work programme of the Council's Internal Auditor. The findings of the annual review shall be reported to and considered by the Council.

Core Duties – Clerk and Responsible Financial Officer (Financial Responsibilities)**Weekly**

- Bank all income receipts and enter in cash book
- Monitor bank account balances on current and deposit account.

Monthly

- Enter payment transaction in Scribe allowing for VAT where applicable
- Prepare schedule of accounts for payment for the Full Council.
- Reconcile cash book to bank statements for consideration by the Full Council
- Prepare a budget monitoring report for Full Council
- Update all transactions on accounts software and backup.
- Prepare payments on the banking system for approval by the authorized signatories

Quarterly

- Complete VAT Form 126 and send to HM Revenue and Customs

Annually

- List of section 137 payments
- Complete Pension Contribution Return and send to Wiltshire Council (as necessary)
- Complete the AGAR and statement of accounts in accordance with the statutory timetable:
 - (1) the internal audit report (Part 3, page 3) is completed, signed and dated by the internal auditor;
 - (2) the annual governance statement (Part 3, page 4: Section 1) is:
 - (a) completed, with an explanation of any 'No' responses and a description of how the authority will address the weaknesses identified;
 - (b) formally approved at a meeting of the authority, with date and minute reference inserted; and
 - (c) signed by the Chairman and Clerk; and includes the authority's website address, where other information not forming part of the annual governance statement but required by the Transparency Codes may be found;
 - (3) the accounting statements (Part 3, page 5: Section 2) are:
 - (a) completed;
 - (b) signed and dated by the Responsible Financial Officer (RFO);
 - (c) subsequently approved at a meeting of the authority with date and minute reference inserted; and
 - (d) signed by the Chairman; and
 - (4) the authority's name is entered in the box at the head of the External Auditor Report and Certificate (Part 3, page 6: Section 3); and

- (5) the RFO has set a date for the commencement of the period for the exercise of public rights;
- (6) copies of:
 - (a) the completed annual governance statement (Section 1), signed by the Chairman and Clerk;
 - (b) the accounting statements (Section 2) signed and dated by the RFO and Chairman;
 - (c) the External Auditor Report and Certificate (Section 3) showing the name of the authority only;
 - (d) a bank reconciliation as at 31 March;
 - (e) an explanation of any significant year-on-year variances in the accounting statements;
 - (f) notification of the period for the exercise of public rights;
 - (g) the Annual Internal Audit Report; and
 - (h) any other documents requested by the auditorare sent to the external auditor.
- (7) copies of:
 - (a) the completed annual governance statement (Section 1), signed by the Chairman and Clerk; and
 - (b) the accounting statements (Section 2) signed and dated by the RFO and Chairmanare published on the authority's website or another publicly accessible website, together with:
 - (c) notice of the period for the exercise of public rights; and
 - (d) a declaration that the accounting statements are as yet unaudited.

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including a completed Section 3 will be returned to the authority. The authority must then ensure publication on its website (or another suitable website) not later than 30 November of the complete Annual Governance and Accountability Return, comprising Sections 1, 2 and 3, including notice of the conclusion of audit and any amendments made to the accounting statements as a result of the limited assurance review.