

Boxted Parish Council

STATEMENT OF INTERNAL CONTROL

Cash Book/Bank reconciliations

- The cash book is kept electronically, maintained up to date from original documents (cash received, invoices, payments (s/o and direct debit) made and bank transfers/cheques as they are prepared).
- The cash book is reconciled to the bank statement at least monthly.
- Reconciled accounts are presented at least 6 times per year for reference and are approved by the Chairman.
- The cash books, payments and receipts, and bank reconciliation is reviewed and approved by a member of the Parish Council, with reference to the underlying records (bank statements and minutes plus copies of accounts papers etc) at least biannually.
- The bank reconciliation is reported to at least 6 meetings of the Parish Council.
- The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved in the previous meeting via the minutes.

Financial Regulations & Standing Orders

- The Parish Council has adopted financial regulations and standing orders, based on the model versions prepared by NALC/SLCC. The regulations and orders are reviewed for continued relevance at least annually and amended where necessary by the Responsible Financial Officer with any proposed amendments subject to approval by the Parish Council.

Order/Tender controls

- The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.
- Official orders/letters are sent to suppliers for services which are not regular in nature Legal Powers.
- A proper legal power is identified in advance of any expenditure.

Payment controls

- Depending on the nature of the supply, the RFO checks the purchase invoice to indicate that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct.
- Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable.
- Payments will be listed in date order in the cash books and in accounts files.
- All invoices for payment are listed on the Agenda of a meeting where the expenditure is to be authorised for payment.
- Payments made are listed in the minutes of the meeting.
- Original invoices are available to the Councillors signing the cheques.
- Cheques will be signed by two councillors, who are authorised to sign on the Council's bank mandate. Bank transfers are made by the RFO and will be authorised by two councillors, who are authorised to sign the bank mandate.
- The RFO is authorised to transfer funds from one account to another, and to make eternal payments to agreed suppliers and is required to present a copy of the banks payment advice for signature by two Councillors.
- The RFO always maintains control of the cheque book, cheques will only be issued and signed for payments approved in Council meetings except for special circumstances whereby the Chairman or Vice Chairman give authority.
- Every payment is identified by a sequential unique number. This number is used to identify the transaction in the payment's cashbook, the invoice and cross referenced to the bank statement.
- When invoices are paid by cheque, they are with identified by the cheque number and referenced in the cashbook by the cheque number, as well by the unique identifier. This is cross checked with the bank statements.
- A pre-paid card is available for purchases by the RFO. The card will hold a balance of up to £1000 and be topped up to this level each month. Any payments made by the card will be individually shown at each full Council meeting alongside any card charges. The balance on the card will be included in the reconciliation statement as a council bank asset. Two councillors will be authorised administrators on the card account.

Payments made under section 137 of the 1972 LGA ("The Free Resource")

- A separate s137 account column is maintained
- The RFO calculates the maximum amount of s137 expenditure able to be made each year and ensures that it is not exceeded – confirmed to the Parish Council when expenditure is

considered either by reference to a specific budget for that payment or to the amount of unspent s137 money available.

- Where requests for expenditure from s137 are made this is made clear at the meeting where the payment is to be approved.
- The proper minute authorising expenditure from s137 is prepared on each occasion.

VAT repayment claims

- RFO ensures, wherever possible, that all invoices are addressed to the Parish Council.
- RFO ensures that proper VAT invoices are received where VAT is payable.
- RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.

Income controls

- RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the District Council.
- RFO ensures that the precept instalments are received when due.
- RFO ensures that other receipts (deposit interest, allotment and land rents) are received when due and correctly calculated.
- Receipts are issued for cash received and a copy kept.
- Income is banked promptly.

Financial reporting

- A Budget control, comparing actual receipts and payments to the budget is prepared on a regular basis, presented to the Parish Council at the meeting.

Budgetary controls

- The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes in advance of the start of the year.
- The precept is set on the basis of the budget by the deadline set by Colchester Borough Council.

Payroll controls

- Staff contracts are prepared by the Clerk and agreed by the full Council and are reviewed and amended where necessary by the Clerk and approved by the Council.

- All employees are paid under PAYE as an employee and the necessary system for HMRC RTI is in place.
- All employees' salaries are set by the Council and a minute is prepared to show the agreed salary.
- Any additional hours are agreed to by either the Chairman/Vice Chairman or Clerk in agreement with the Chairman/Vice Chairman.
- The salaries are paid by cheque or electronic bank transfer.
- The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done

Asset Control

- The RFO maintains a full asset register.
- The existence and condition of assets is checked on an annual basis by a member of the Parish Council.
- The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.

Risk Assessment

- A risk assessment is carried out annually by the Clerk and presented to a Council meeting where it is approved, signed and minuted as approved by the Council.