

# Dadlington & Sutton Cheney Parish Council

### **Statement of Internal Control**

#### Introduction

Dadlington and Sutton Cheney Parish Council have a responsibility to maintain a transparent and effective financial system to ensure that all public monies are spent and used in a proper and legal manner.

This document details the controls that are adopted by the council to ensure that all tractions are completed using an appropriate process which has been determined by the professional bodies of NALC/SLCC.

The council is required to review the Statement of Internal Control annually. This task is undertaken at the Annual Parish Council Meeting which takes place in May of each year.

Many of the financial controls are listed in the Financial Regulations adopted by the council each year, which are created in line with guidance from NALC/SLCC. This document looks further into these systems of work and details a step-by-step guide to all financial processes within the council.

### Statement of Internal Control

- All transactions are kept electronically and are documented each month. The document shows all transactions entering and leaving the Parish Council's bank account. This document is called the Financial Spreadsheet and is dated as per the month of the record.
- The Financial Spreadsheet documents includes:
  - Date of the transaction
  - o The payee details
  - o What services/goods were provided/received
  - o The amount received or spent
  - The FR Financial Record Reference Number
  - o The minute refer
- The bank statement is either received through the post or printed from the online banking facility monthly and is used to cross-reference all transactions.
- A hard copy document is collated which contains:
  - o The bank statement
  - o The Financial spreadsheet
  - All transaction details i.e. Invoices, receipts, cash logs etc.
- The final document is scanned and emailed to full council for review prior to the full council meeting. This gives the councillors an opportunity to flag any discrepancies or make any comments.
- The complete document is presented to full council and is sign off by two councillors. Each invoice/document is signed as well as the main financial statement.
- A quarterly budget spreadsheet is also completed by the Clerk and is reviewed at full council at the end of each financial quarter.
- Once approved and signed a hard copy of the signed documents are scanned and uploaded to the parish council website. The hard copy remains on file with the Clerk.



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### Order/Tender Control

- The Financial Regulations for the Parish Council details the following:
  - The number of estimates needed depending on the scope of the work and the financial commitment.
  - The number of quotes required depending on the scope of the work and the financial commitment.
  - The number of full tenders required depending on the scope of work and the financial commitment.

### **Payment Controls**

- The Clerk will check that any items/goods receive tally with the invoice details and items/services to be paid for.
- The Clerk will insure that there are no duplicate payments processed.
- Any correspondence in relation to the purchase i.e letters, emails etc are matched to the invoice where applicable.
- The Clerk will insure that payments are listed in date order.
- All payments will be listed and presented to full council where they will be approved or ratified dependant on the councils delegation process.
- Original invoices are to be provided in the first instance. Copies etc should only be provided in the occasion that the original is not available. These documents must be signed by two individual councillors.
- The council very rarely use cheques and advise that payments made will use BACS as the preferred method of payment. Should BACS not be appropriate a cheque can be drafted by the Clerk and signed by the Chairman and one other councillor on the banking mandate.
- The Clerk maintains control of the bank account and the cheque book at all times.
- The Clerk will calculate the maximum amount of S137 expenditure able to be made each year.
- When an S137 expenditure is requested this is clearly documented within the minutes for that meeting.

### VAT Claims

- The RFO ensures that all invoices are addressed to the parish council
- The RFO ensures that proper VAT invoices are received when VAT is entitled to be claimed.
- The RFO maintains a detailed account of VAT and VAT reclaims



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### **Income Controls**

- The RFO ensures that the precept received from the unitary council is correct and is what has been requested by the council
- The RFO ensures that the precept payments are received when due
- The council do not accept any cash payments
- Any cheques received are banked within 30 days of receipt

#### **Financial Reporting**

• A budget control spreadsheet is in place and is completed monthly and reviewed at full council quarterly.

#### **Budgetary Controls**

- The budget is prepared by the full council and a meeting is held in October of each year for the sole purpose of creating the budget.
- The precept is also discussed once the budget has been prepared. The precept is determined by the outcome of the budget planning
- The Clerk is responsible for submitting the precept demand to Hinckley and Bosworth Borough Council by the determined deadline.

### **Payroll Controls**

- Staff contracts are prepared by the HR Committee and agreed and approved by full council. Contracts are reviewed and amended where necessary by the clerk and approved by the council.
- All employees are paid under PAYE as and employee and the necessary system for HMRC RTI is in place.
- All employee's 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 or vice chairman or Clerk in agreement with the Chairman/ Vice Chairman
- The salaries are paid by bank transfer on the 1<sup>st</sup> of each month
- The RFO will ensure that all necessary payroll returns are made to HMRC and will evidence that this has been done.

#### Office and Clerks Expenses

- The Clerk will submit any spending request under £250.00 to the chairman for approval.
- All spending over £250.00 will be decided at full council.
- Expenses can be claimed back at any point once authorised by the Chairman of the council.



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• The expenses cover any out-of-pocket expenses as well as monitoring expenses as laid down by joint SLCC/NALC guidelines

#### Asset Control

- The RFO will maintain a full asset register.
- The existence and condition of assets are checked on an annual basis
- The RFO has to ensure that the Parish Council has adequate insurance to cover all assets

#### **Risk Assessment**

• The risk assessment is carried out annually by the Clerk and presented to the council at the Annual Parish Council Meeting where it is approved and signed.