

Horstead With Stanninghall Parish Council

Internal Control Policy and Procedure

Document Control

Adopted by the Council On: 14 March 2018

Signed: *C Jones* (Chairman) *S Hall* (Parish Clerk)

Next Review date: March 2021

Internal Control

Internal control means the systems are in place to maintain good financial governance.

The Responsible Financial Officer (RFO) has a legal responsibility to ensure that proper internal controls are set up and maintained. These controls ensure that all income due is received; all expenses are properly authorised; books are maintained including regular bank reconciliations; income and expenditure are in accordance with budgets; policies are in place; risks are assessed.

The full requirements are set out within the Accounts and Audit Regulations 2015 and explained within Governance and Accountability for Local Councils, the Practitioners Guide March 2016

Horstead With Stanninghall Parish Council has a number of systems in place to support and manage internal control.

- Internal control checks: a quarterly review of financial accounts by an appointed councillor, which is documented and reported to full council.
- Independent internal auditor: an appointed sector professional who carries out an annual audit and presents a written report to council, ahead of Annual Return Completion.
- Quarterly reporting of finances: income and expenditure, actual against budget and quarterly current account balance, supplied as an extract from accounting records

1 Internal Control Officer

The internal control officer should carry out internal control checks on a quarterly basis. The ICO is appointed from the membership of council at the Annual Meeting of the Parish Council

Internal Control Checks

Checks cover all financial activities of the Council over the whole of the financial year on a sample basis. Regular activities will be included at each quarterly check with other activities being included at least once every year.

Checks are reported to the next Council meeting in a standard format.

Control Check Calendar

Check 1 (first quarter of the financial year) i.e. April-June.

Check 2 (second quarter of the financial year) i.e. July-September

Check 3 (third quarter of the financial year) i.e. October-December

Check 4 (fourth quarter of the financial year) i.e. January-March

Regular Activity Checks

All checks will be in accordance with the attached Quarterly Internal Control Sheet - see appendix 1.

Payments should be checked as follows:

At least 3 payments per month should be checked as follows:

- If it is a direct payment or cheque, is it on the Direct Payment authorisation sheet?
- If it is for a direct debit or standing order, has this been previously agreed
- Is there an invoice, receipt or claim form to accompany the payment
- Has the payment been made correctly – name, amount
- Is the payment correctly recorded in the cash book

Ensure all payments have been reported to Council

Receipts should be checked as follows:

Ensure all receipts have been reported to Council

Policies and Procedures:

Notify the Council of any policies/procedures which need reviewing in the next Quarter – see appendix 2.

2 Independent Internal Auditor

Is commissioned by the Parish Council and needs to be Independent experienced and competent.

Their written report is presented and considered by Council as part of their complete review of internal controls. This happens in May/June once the end of year accounts have been closed and before the AGAR statutory document has been completed. This annual audit informs the AGAR

3 Financial reporting

The RFO presents a regular report of all income, expenditure and variances against budget to the full Council

Appendix 1

**HORSTEAD WITH STANNINGHALL PARISH COUNCIL
QUARTERLY INTERNAL CONTROL REPORT**

YEAR 2018/2019	DATE:	DATE:	DATE:	DATE:
Cash book correct and mathematically accurate				
Accounts reconciled to bank statements				
All income due received (inc VAT from previous quarter if applicable)				
Can VAT be reclaimed over £100 unclaimed				
Invoices presented and agree with accounting records				
Statement produced to Council at meeting:				
Statutory policies and risk assessment in place and up to date				
Other comments:				
Signature				

Policy	Legal Basis	Date Adopted	Review Date	
Standing Orders	Local Government Act 1972			
Financial Regulations	Account and Audit Regulations 2015			
Financial Standing Orders	Best practice			
Equal Opportunities	Equality Act 2010			
Paper destruction policy	Best practice			
Grievance Procedure	Employment Act 2008 (ACAS code of practice 2009)			
Disciplinary Procedure	Employment Act 2008			
General Data Protection Regulation Policy	General Data Protection Regulations (2018)			
Code of Conduct	Localism Act 2011			
Planning	Best practice			
Budget	Account and Audit Regulations 2015			
Risk and Management Scheme	Account and Audit Regulations 2015			
Freedom of Information and Publication	FOI Act 2000			
Lone Worker Policy	Management of H and S at Work Regs 1992 (amended 1999)			
Complaints Procedure	Best Practice/FOI Act 2000			
Training Policy	Best Practice			
Maintenance Policy	Best Practice			
Internal Control Policy	Best Practice			