

SELSTON PARISH COUNCIL INTERNAL CONTROLS

REVIEWED MAY 2023

The Council is responsible in law to ensure that funds, which it administers on behalf of the taxpayer, is spent wisely and in accordance with the law. Accounts and Audit Regulations require local councils to ensure that financial management of the council is adequate and effective.

The Regulations also require councils to have a sound system of internal control which facilitates the effective exercise of its functions.

Section 151 of the Local Government Act 1972 requires Parish Councils to appoint a responsible financial officer (RFO) to manage its financial affairs. Also as an employer, the Council has the same duties and responsibilities, including the operation of PAYE, as any other employer.

Prevention of Fraud

- All members informed of all payments made by the Council through a financial information sheet accompanying the Agenda for each Council meeting. The relevant cheque number for each payment is recorded on the information provided to Members. Both Councillors and the public could easily identify 'missing cheques' from the sequence of numbers.
- All invoices are checked and signed by two members and the Clerk to approve payment by BACS or cheque.
- Bank reconciliation are checked on a monthly basis
- All Income is banked as and when received and reported to the Council at every meeting as shown on the finance sheet circulated with the Agenda.
- All cash and cheques received by the Clerk or RFO are receipted through the till and placed in the safe at the end of each working day. Cash and cheques are banked weekly. The precept from Ashfield is paid directly into the Council's bank account by BACS.
- All items purchased for the Council by the Clerk, staff or Councillors which require reimbursement are supported by receipts, which are available for inspection.
- All cheques are signed by two out of four named signatories as per financial regulations.
- The adoption of both standing orders and financial regulations, which govern procedures for obtaining contracts and of informing the Council of bad debt. These are reviewed at the Annual meeting of the Council.

- The Clerk and RFO are solely responsible for all services provided to the Council
- Accounting software specifically designed for local authorities and once amount entered does not allow for correction of that amount except for journal entries. Access to the system is by the Clerk and RFO and is password protected.
- Appointment of an independent auditor to carry out an internal audit of the accounts on an annual basis.

Keeping Proper Financial Records

- The RFO presents both a half year budget and a report of the accounts at the year end.
- All recommendations arising from both the internal and external audits carried out are presented to the Council.
- Where payments are being recommended the RFO will always advise the Council if provision exists within the current budget or will seek a virement transferring sums between budget headings.
- Debtors – Where an invoice has been sent the RFO maintains a diary system to ensure monies are received.
- VAT Records - The Council currently submit returns to the HM Customs and Excise on a quarterly basis and information is generated from payments input into the accounting software. The Council is aware of returns made as this is recorded as income shown in the Finance section of the agenda following the month in which it is received.
- Inland Revenue – Returns made to HM Revenue and Customs on quarterly basis. Verified by HM Customs and Revenue on a yearly basis where annual returns submitted.
- Pension – Returns are submitted on a monthly basis and verified by Notts County Council at the year end on receipt of PAYE information
- PAYE - Wages set in accordance with national agreement between Society of Local Clerks and National Association of Local Councils. Councillors informed of costs on a monthly basis. Any amendments are to be authorised by the Full Council.

Protection of Physical Assets

BHIB is the Risk and Insurance Brokers for Selston Parish Council. They specialise in Parish Councils and the policy is reviewed annually.

- The Council holds Public Liability and Employers Liability cover of £10,000,000 in respect of each risk
- Buildings and Contents – Combined buildings and contents cover of £941983 Council buildings and £1,889353 Charity buildings and subject to annual index linking.
- Loss of Revenue Cover is currently insured for £12,000
- Fidelity Guarantee – Sum Insured is presently £500,000
- Libel & Slander cover of £250,000
- Business Interruption cover of £22,000
- NALC, SLCC and Insurance currently provide advice and policies on the management of Health & Safety
- We hold a copy of Selston Parish Village Halls Charity Insurance Policy

Failure by Cllrs to understand the role and responsibilities of the Council.

- All new members are given copies of latest edition of Good Councillors Guide, Standing orders and financial regulations.
- Clerk and Assistant Clerk facilitate Councillor introduction session and are available to give advice at any time by phone or email whilst in the office.
- All councillors to attend the training courses held by NALC and to follow up with further training as necessary.
- All councillors sign a Declaration of Office and complete a register of interest which is sent to the Monitoring Officer of the District Council and a copy retained by the Clerk