

Bubbenhall Parish Council

Statement of Internal Financial Controls

Cashbook / Bank reconciliations

- The cash book is kept electronically (in spreadsheet format), maintained up to date from original documents (cash received, invoices, payments (s/o) made and cheques as they are prepared)
- The cash book is reconciled to the bank statement monthly
- Reconciled accounts are prepared in advance of each Council meeting
- The cash book, payments and receipts, and bank reconciliation is reviewed and approved by a member of the Parish Council nominated as internal control, regarding the underlying records (bank statements and minutes plus copies of accounts papers etc) bi annually
- The bank reconciliation is reported to the Parish Council and minuted.
- 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

- The Parish Council has adopted financial regulations, based on the model version prepared by NALC. The regulations are reviewed for continued relevance and amended where necessary by the RFO 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.

Payment Controls

- Depending on the nature of the supply, the RFO signs 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 cheque or voucher number order in the cash book
- All invoices for payment 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 as shown on the council's bank mandate.
- The council has a BACS system in place. The RFO is authorised to set up BACS payments online but as the RFO is not an authorised signatory, cannot authorise payments.
- 2 members of the council are authorised to approve online bank payments. They cannot set up payments, only view and authorise them.
- The RFO maintains control of the cheque book at all times, cheques will, normally, only be issued and signed for payments approved in Council meetings. The RFO will prepare the cheques but is only authorised to sign them in case of emergency.

- Every payment is identified by a sequential voucher number. This number is used to identify the transaction in the payments cash book, the invoice and cross referenced on the bank statement in ink.
- When invoices are paid by cheque, they are identified by the cheque number and referenced in the cashbook by the cheque number, as well as by the voucher number. This is cross checked with the bank statements.
- When invoices are paid by BACS, they are identified by the voucher number which is cross checked with the bank statements.
- The minute number of the minute authorising bank payments or cheques is detailed on each invoice.

VAT repayment Claims (VAT 126)

- RFO ensures compliance with VAT notice 749
- RFO ensures 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 and submits a claim for repayment annually.

Income Controls

- RFO ensures that the amount of the precept received is 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 are received when due and correctly calculated
- Individually numbered receipts are issued for cash received and a copy kept.
- Receipts are recorded on the cash book/spreadsheet when received
- Income is banked promptly.

Financial reporting

- A budget control, comparing actual receipts and payments to the budget and the previous year is prepared on a quarterly basis, presented to the quarterly meeting and minuted.

Budgetary controls

- The budget is approved by the Parish Council before the end of the financial year preceding the year to which it relates.
- The precept amount is identified following approval of the budget; the precept demand is issued to the billing authority by the date stipulated by the billing authority and in any case before 1st March at the latest.

Payroll controls

- The clerk is an employee and the RFO must register the Council with HMRC online; the Council, via RFO is responsible for reporting PAYE & NI monthly.
- The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary
- The salary is paid by cheque
- The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.
- The RFO will act for the Parish Council regarding Pension duties and will work with the member appointed as the employer's contact.

Clerk's expenses

- The clerk submits an Invoice for reimbursement of monies owing in advance of the quarterly meeting.

- The reimbursement of monies owing cover the contribution towards the cost of maintaining an office at the clerk's home and any out of pocket costs.
- Reimbursement of costs are paid by cheque and the reimbursement of costs sheet is treated as an invoice for accounting purposes

Asset control

- The RFO maintains a full asset register
- The existence and condition of assets is checked on a six-monthly 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.