# STATEMENT OF INTERNAL FINANCIAL CONTROLS
# STOKE BLISS GROUP PARISH COUNCIL

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| Cash Book / 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)<br>• The cash book is reconciled to the bank statement at least quarterly<br>• Reconciled accounts are prepared in advance of each Council meeting<br>• The cash books, 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) at least biannually<br>• The bank reconciliation is reported to the Parish Council and minuted<br>• 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.<br>• 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.<br>• Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable<br>• Payments will be listed in the cash book in date order<br>• All invoices for payment are listed on the meeting agenda, or agenda appendix, where the payment is to be minuted<br>• Payments made are listed in the minutes of the meeting. Original invoices are available to the Councillors authorising payment.<br>• Cheques will be signed by two councillors, who are authorised to sign as shown on the council's bank mandate.<br>• The council has a BACS system in place. The RFO is authorised to set up BACS payments online.<br>• Four members of the council are authorised to approve online bank payments. They cannot set up payments, only view and authorise them.<br>• The RFO is authorised to transfer funds internally ie from one of the council's accounts to another.<br>• The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Council meetings.<br>• When invoices are paid by cheque, they are identified by the cheque number and referenced in the cashbook by the cheque number. This is cross checked with the bank statements.<br>• When invoices are paid by BACS, they are cross checked with the bank statements. |

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| Legal Powers | A proper legal power is identified in advance of any expenditure.<br>The legal power for expenditure is shown on the agenda and minutes for payments made. |
| Payments made under section 137 of the Local Government Act 1972 (aka "The Free Resource") | • A separate s137 account is maintained in the cash book / spreadsheet.<br>• Each year the RFO calculates the maximum allowable amount of s137 expenditure 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<br>• Requests for expenditure from s137 are made clear on the meeting agendas where the payment is to be approved.<br>• Each record of expenditure from s137 is properly minuted. |
| VAT repayment Claims<br><br>(VAT126) | • RFO ensures compliance with VAT notice 749<br>• RFO ensures that all invoices are addressed to the Parish Council.<br>• RFO ensures that proper VAT invoices are received where VAT is payable.<br>• 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 if required. (Minimum submission for VAT 126 is £100 and that can take 2 years to accumulate) |
| Income controls | • RFO ensures that amount of the precept received is in accordance with the precept request sent to the District Council.<br>• RFO ensures that the precept instalments are received when due.<br>• RFO ensures that other receipts (deposit interest,) are received when due and correctly calculated.<br>• Receipts are recorded on the cash book / spreadsheet when received.<br>• Income is banked promptly. |
| Financial reporting | A Budget control, comparing actual receipts and payments to the budget and the previous year is prepared on at least a bi-annual basis, presented to Parish Council 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.<br>• 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.<br>• The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary.<br>• The salary is paid by BACS.<br>• The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.<br>• The RFO will act for the Parish Council regarding Pension duties and will work with the member appointed as the employer's contact. |
| Office and clerk's expenses | • The clerk submits an invoice for reimbursement of monies owing by way of an expense account, in advance of each meeting<br>• The expenses cover a contribution towards the cost of maintaining an office at the clerk's home and any out of pocket expenses as well as motoring expenses, as laid down by joint SLCC/NALC guidelines<br>• Expenses are paid by BACS and the expense sheet treated as an invoice for accounting purposes |
| Asset Control | • The RFO maintains a full asset register<br>• The existence and condition of assets is checked on a six-monthly basis by a member of the Parish Council<br>• The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal. |