

Germansweek Parish Council

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Internal Control Policy

Reviewed Germansweek Parish Council May 2023
Reviewed Germansweek Parish Council June 2024
Reviewed Germansweek Parish Council May 2025
Reviewed Germansweek Parish Council May 2026

Scope of Responsibility

Germansweek Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The proper management and control of the Council's finances relies on the effective scrutiny of its income and expenditure and on robust processes to avoid fraud or other irregularities when paying bills and receiving payments.

The Parish Council:

- Has an appointed a Clerk/Financial Responsible Officer (RFO) who reports to the parish council.
- Meets regularly when the bank reconciliation, which includes details of funds which are ring-fenced for specific purposes and of any grants it may be in receipt of, is scrutinised and the budget monitored.
- Reviews its obligations and approves the following year's budget at its January meeting. The January meeting of the Parish Council also approves the level of precept for the following financial year.

The Clerk's responsibilities:

- The Parish Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator.
- Is responsible for supporting the Councillors draft a budget that meets their legal responsibilities.
- Manages the Parish Council's bank mandates, sets up electronic payments for approval by three different mandate holders and arranges for cheques to be signed by three councillors.
- Holds the Parish Council's cheque book to ensure that any cheques required can be authorised promptly.
- Maintains the Parish Council's Asset Register and ensures that appropriate insurance cover is in place.
- Is responsible for advising on the day to day compliance with laws and regulations that the Parish Council is subject to and for managing risks.
- Provides advice to help the Parish Council ensure that its procedures, control systems and policies are adhered to.

- Oversees the annual returns process, including approval by the Parish Council of the Annual Governance and Accountability Return and its submission to the external auditors before the published deadline. The Clerk will also publicise arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

The RFO's responsibilities:

- Produces regular (typically monthly) financial data to reconcile invoices & receipts, approved payments in Parish Council meeting minutes and the transactions reflected in Parish Council's bank account, highlighting any discrepancies requiring action (e.g. uncashed cheques, missing documentation or payments). Financial data is distributed to the Parish Council and approval/noting at their meetings.
- Submits the annual Precept request once a budget has been agreed by the Parish Council.
- Can approve electronic payments as one of the required three approvers.
- Produces year-end financial data and an annual financial report to the Parish Council. The Clerk/RFO also completes the relevant section of the Annual Governance and Accountability Return which is approved by Parish Council and submitted to external auditors by the Clerk.
- Completes annual VAT reclaim submissions to HMRC on behalf of the Parish Council.

Payments:

- All items of expenditure must be listed on the agenda for approval of payment unless the item is under £700 **and** is a statutory, legally required or previously approved payment, in which case the clerk may authorise the payment prior to it being on an agenda, BUT it MUST be listed in a future agenda as soon as possible.
- All expenditure must be authorised by the Parish Council. The minutes recording the approved expenditure are cross-referenced to each payment in the financial data provided by the Clerk
- Three authorised signatories of the Parish Council must sign every cheque for payment or electronic payment authorisation.
- The signatories check each cheque against the relevant invoice (which has already been checked by the Clerk), and initial the cheque counterfoil.
- Online payments will be set up by the Clerk and then authorised by two further signatories. The Clerk is an authorised signatory in order to set up online payments but two further signatories are required to authorise a payment.

Receipts:

- Are banked in the Parish Councils' account in a timely manner and reported at the next meeting of the Parish Council.
- Any cash received is counted in the presence of others and a receipt issued by the Clerk.
- A full monthly bank reconciliation is presented to the meeting together with the relevant latest bank statements.

- All receipts are reported to the Parish Council at a meeting and included on the bank reconciliation.

The Internal Audit:

The Council appoints an independent internal auditor each year, who will report to the Council on the adequacy of its records, procedures, systems, internal control and risk management.

The External Audit:

The Parish Council is exempt from Audit provided it meets the requirements each year. A Certificate of exemption is sent to the external auditor annually.

Risk Assessments/Risk Management:

The Clerk will report on risk assessment as and when necessary, with an annual review being undertaken in April or May.

The Clerk will review and renew Parish Council's insurance cover will be reviewed in May prior to renewal on 1 June.

There is no opportunity for any single Councillor, or the Clerk/RFO to incur expenditure on the Councils behalf.