

## Systems of Internal Control

Responsibility for Internal Control was outlined in the Accounts and Audit Regulations 2015 as amended 2016 where it states that the Council must ensure that it has a sound system of internal control which

- a) facilitates the effective exercise of its functions and the achievement of its aims and objectives
- b) ensures that the financial and operational management of the authority is effective
- c) includes effective arrangements for the management of risk

Measures:

- must ensure that the financial transactions of the authority are recorded as soon as and as accurately as reasonably practical
- to enable prevention and the detection of inaccuracies and fraud
- to ensure that risk is properly managed.
- It must also identify the duties of officers dealing with financial transactions and the division of responsibilities of those officers.

### **Council**

The council sets a budget and precept for the next financial year in December and the Council approves/amends this budget at its January meeting. The precept for the next year is then set at that meeting and the Clerk is then authorised to make the precept request.

All Councillors receive a Financial Report package which gives the bank and budget reconciliation as part of the agenda together with the income received in the previous month and the expenditure to be authorised at the meeting. These reports form part of the Minutes.

The Council authorises all expenditure, except: -

- The Clerk has delegated powers to spend up to £500.00 on day to day running expenses and in emergency situations, in conjunction with the Chairman.

### **Payments – Risk Aware**

All invoices are stamped and then dated and validated by the Clerk . Two Councillors sign the invoice. Cheques are to be signed by two Councillors.

Unity Bank electronic payments are set up by the RFO and authorised at the Bank by 2 signatories over the internet independently of the Clerk and each other.

The Clerk's wages, PAYE & Pension payments are made on the 15<sup>th</sup> of each month electronically and approved at the next meeting.

### **Verification Check**

An internal check of the accounts and payroll to be carried out before each meeting by a rota of Councillors, ensuring that each Councillor takes responsibility for the Internal Controls, as per Financial Regulations

# FINEDON TOWN COUNCIL

Bank Reconciliations	Check monthly reconciliations, compare bank statements and reports of un-reconciled transactions
Invoices	Each month filed in order Compare to invoice schedule, bank receipts and minutes By sample
VAT Repayment	Ensure VAT Repay completed quarterly and up to date
Payroll	Check copy payslips, compare to bank payments
Pension	Ensure pension contributions are correct and up-to-date
PAYE & NI	Ensure PAYE & NI contributions are up to date
Insurance	Ensure up to date and regularly reviewed at least annually
Asset Register	Ensure up to date and regularly reviewed at least annually
Risk Assessment	Ensure up to date and regularly reviewed at least annually

## **Risk Assessment/Risk Management**

The Town Council reviews its risk assessments each year. It also reviews its insurance cover and level of Fidelity Guarantee Insurance.

## **Internal Audit**

The Town Council uses Northants CALC Internal Audit Service to carry out the Internal Audit. The Internal Audit Terms of Reference provided by NCALC are approved by the Council.

## **External Audit**

The Audit Commission appoints the External Auditor. The Town Council's External Auditors are PKF Littlejohn.