

Wilbarston Parish Council

Procedures for Financial Control and Internal Audit **(NCALC Model)**

Under the Accounts and Audits Regulations 2011, it is the Responsible Financial Officer's (RFO's) responsibility to ensure that the Council's day-to-day finances are run properly, but it falls to Council members to exercise a proper and reasonable degree of control over financial matters. This task is delegated to the Internal Controls Councillor (ICC). The ICC checks, by regular sampling that;

- all anticipated income is received
- expenditure is broadly in line with budgets
- expenses are properly authorised before payment is made, with the exception of agreed direct debits, salaries and BACS payments
- the record of receipts and payments is kept up to date and that a bank reconciliation is carried out monthly on all cashbook accounts

Any anomalies are resolved with the Clerk / RFO and the ICC then presents a full Financial Report to members, once a quarter at the council meeting.

The Council operates maintains, monitors and reviews as necessary, its Financial Regulations and Financial and Management Risk Assessment.

In addition to these systems for the regular monitoring and management of the routines, there is a further legal requirement, that sits above the internal controls system for the Council to put in place an adequate and effective system of internal audit of its accounting and internal control systems. This is achieved through the appointment of an independent internal auditor (IA) who must be both competent and conversant with the regime of local government finance. The Council currently meets its obligation in this respect by using the Internal Audit Service of Northants County Association of Local Councils (NCALC). The IA checks, by sampling that the internal controls are adequate and working. The IA visits at least once per year - more frequently if the Council requests - and the Audit Report forms part of the Annual Return.

In accordance with regulations 4 and 6 of the 2011 Regulations, the Council carries out an annual formal review of the systems of Internal Control and the effectiveness of Internal Audit. This is conducted in accordance with laid down guidance, by means of an approved form of self-administered assessment. The latest review, including the outcomes are set out on the following pages.

INTERNAL CONTROL PROCEDURES

WORK ELEMENT	INTERVAL	ACTION OF CLERK/ RFO	COUNCIL (OR CHAIRMAN'S) ACTION
CASH FLOW	Monthly	To report income from grants, donations, etc. To report on accounts to be paid.	To consider and amend/note income. To consider invoices and authorise payments.
INCOME & EXPENDITURE ACCOUNT and BANK RECONCILIATION	Quarterly	To present to Council a breakdown of receipts & payments, together with bank balance information including expenditure against budget.	To consider and receive the report.
BANK STATEMENTS	Monthly	To check bank statements against receipts & payments. To present to the Council a monthly bank reconciliation.	Check monthly bank reconciliation.

Adopted by Full Council on January 2011

Readopted 10th September 2020 - Minute Reference 20/527

**INTERNAL
CONTROLS
COUNCILLOR**

**CHECKLIST
TABLE**

ACTION	AUDIT TRAIL	EVIDENCE SEEN (initialed)
ALL ANTICIPATED INCOME RECEIVED	<p>PRECEPT RECEIVED FROM KETTERING BOROUGH COUNCIL</p> <ul style="list-style-type: none"> • On receipt of form from KBC complete with approved and minuted precept amount • Note entry on bank statement and record Income on accounts ledger <p>INTEREST RECEIVED</p> <ul style="list-style-type: none"> • Noted on monthly bank reconciliation and Bank statement (monthly) • Two statements (2 bank accounts) received and actioned <p>VAT REFUNDED (Yearly)</p> <ul style="list-style-type: none"> • Each purchase invoice checked for VAT content, VAT supplier number and recorded in ledger • Reconcile with Payments report for same period • Remittance advise received • Check payment arrived in nominated bank account 	
EXPENDITURE BROADLY IN LINE WITH BUDGET	<ul style="list-style-type: none"> • Invoices entered into accounts ledger • Quarterly accounts summary presented to Councillors and sent with agenda, prior to Finance & advisory group meeting 	

<p>EXPENSES ARE PROPERLY AUTHORISED BEFORE PAYMENT IS MADE</p>	<ul style="list-style-type: none"> • Supplier Invoices are itemised for payment on payment schedule sent with monthly agenda • Online payment schedule is cross checked against supplier invoices • Invoices presented at full council meetings for Councillors to examine • Councillors vote on accepting invoices for payment • Vote minuted • Cheques/online payments signed by two authorised signatories (Councillors) – Cheque stub/online payment schedule initialled / online transaction reference reported to the clerk • Clerk to double check (via other means) all new supplier bank details to help against the risk of fraud 	
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<p>RECORDING OF INCOME & EXPENDITURE AND A BANK RECONCILIATION</p>	<ul style="list-style-type: none"> • Purchase invoices are recorded onto payment schedule every month • Income from allotment income deposited into Unity Trust Bank in line with Financial Regulations and internal controls (cash handling) • Bank reconciliation produced monthly and sent with full council meeting agenda • Bank statements for current account seen and filed • Bank statements for reserve account seen and filed • Bank statements for welland wanderer account seen and filed • Bank reconciliation for current account seen • Bank reconciliation for reserve account seen • Bank reconciliation for Welland Wanderer account seen • Payments are up to date • Receipts are up to date 	
<p>PAYROLL/STAFF</p>	<ul style="list-style-type: none"> • Monthly payroll completed • Payments made online in accordance with terms set • Tax and NI up to date • Pension contributions up to date 	
<p>MINUTES</p>	<ul style="list-style-type: none"> • Minutes signed, dated and filed 	
<p>MISCELLANEOUS</p>	<ul style="list-style-type: none"> • Website up to date • Noticeboards up to date • Financial risk assessments up to date • Meetings are booked for room hire at the Village Hall • Risk assessments up to date • Quarterly finance group meetings up to date 	

GENERAL COMMENTS/ RECOMMENDATIONS	
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Date review conducted	
Councillor conducting review	
Signed	
Date	