INTERNAL FINANCIAL CONTROLS

The Council's Internal Financial Controls consist of the following and are complimentary to the Council's adopted Financial Regulations and Standing Orders.

1. Obtaining Best Value for money in all purchases.

   Where goods and/or services are required, the annual value of which will exceed the limit specified in the Council's Financial Regulations; contracts shall be let in accordance with the requirements of Financial Regulation 11.

2. The checking of all invoices for accuracy and validity.

   The check shall be carried out by a Personal Assistant and/or the Town Clerk/ Financial Officer prior to signing the cheques or the authorising of Direct Debits and/or Bank Transfers.

3. The entering of all receipts and payments in the appropriate financial Cash Book.

   The Council uses Scribe software for its electronic cash book.

4. The sequencing, on a monthly basis, of all invoices and supporting papers for keeping as accounts records.

   VAT is separately identified in the Cash Book for reclaiming.

5. The maintenance and monthly reconciliation of an imprest Pre-paid Debit Card and the monthly analysis of Card payments, identifying and extracting VAT figures.

   The Pre-paid (Equals) Debit Card Account transactions to be reported to the Finance and Economic Development Committee, for approval, at least on a monthly basis.

6. The preparation of cheques for signature by the Council's authorised signatories by an employee who is not one of the Council's authorised signatories.

7. The signing of all cheques and the initialling of cheque counterfoils, for goods and services, by at least three of the Council's authorised signatories, one of which must be the Town Clerk/Financial Officer unless otherwise resolved by the Council. Those signatories are responsible for checking the accuracy and validity of the cheque against the invoice/vouchers tendered, when signing the cheques.

8. Under no circumstances shall cheques be signed by authorised signatories without the cheque being fully completed, including the payee details.

INTERNAL FINANCIAL CONTROLS

9. For those payments made by other than cheques (e.g. direct debits, standing orders and/or bank transfers)
   a) the Town Clerk/Financial Officer signs to have verified the none cheque payments against the supporting invoices/vouchers and satisfied themselves as to the accuracy and validity of those supporting invoices/vouchers.
   b) The Bank Account details of the supplier payments are checked at the time of entering the payment onto the bank. Any alterations in Bank Account details have been checked, verified and noted referencing the supplier account set up and change procedure.

10. The presentation to the Finance and Economic Development Committee, for approval on a monthly basis, of a detailed schedule of accounts to be paid

11. The schedule to be signed as a correct record of the required payments by three official signatories, one of whom must be the Clerk/Financial Officer.

12. The maintenance of the on-line banking facilities for all Accounts of the Council, by the use of confidential passwords and sign-ins.

    Access to the on-line Banking facility be restricted to the Clerk/Financial Officer and one of the Personal Assistants. No other member of staff or Councillor to have access to the on-line Banking facility without the express resolution of the Council.

13. The reconciling of all bank statements on a monthly basis. The completed Bank Reconciliation to be reported to the Finance and Economic Development Committee, for approval, on a monthly basis.

14. The arrangement of and compliance with, the requirement for two Internal Audits in each Financial Year.

    The first, the Interim Audit to be conducted in November or December each year with the results of the Audit being reported to the Finance and Economic Development Committee.

    The second, the Final Accounts Audit to be conducted and the report received by the Council in time for the findings of the Audit to be incorporated in the Final Accounts of the Council submitted for External Audit each year. The presentation of a draft budget each year to Council for approval.

INTERNAL FINANCIAL CONTROLS

15. The presentation to the Finance and Economic Development Committee for approval on a regular basis (at least quarterly), of an itemised Statement of Income and Expenditure showing, Income and Expenditure as against the Budget and a projection of the likely Income and Expenditure for the financial year in question. The detailed Statement to also include a note of the statutory powers invoked for spends and a variance analysis of the projected Income and Expenditure against the Budgeted Income and Expenditure.

16. The preparation of year end accounts for submission to Council for approval and subsequently for audit purposes.

17. The carrying out and presentation of, an annual Risk Assessment to Council for approval and the adherence to that Risk Assessment in relation to all financial and other relevant matters of the Council. Please see Addendum 3 to these Standing Orders.

18. The carrying out and presentation of, an annual review of the Council's Treasury Management and Investment Strategy. Please see Addendum 2 to these Standing Orders.

19. Where changes to gross salaries are recommended, the calculations should be presented to the Staffing Committee for its consideration and approval of those changes. The decision of the Staffing Committee to be reported for noting to the next meeting of the Council.

    The Staffing Committee is not required to approve the annual level of salary grades and gross salaries if the Budget, approved by the Council, for the forthcoming year contains no increase in salary grades or gross salaries save for incremental increases within salary grades or, the increase in gross salaries following the implementation of the National Pay Negotiations of the National Joint Councils (NJC) and/or National Association of Local Council's (NALC).

    The notes to the approved Budget to clearly specify this fact. Where salaries are amended/increased, the Chair of the Finance and Economic Development Committee should initial the payment document which accommodates the amendments/increases. It should be noted that all the Staff are paid under the NJC/NALC Payscales.

INTERNAL FINANCIAL CONTROLS

20. A complete, up-to-date and accurate Asset Register, including asset valuations will be maintained and presented to Council at least annually. The updated Asset Register to be provided to the Council's Insurance Company when any amendments are made.

Version 12 – KB/2024