



## **Rockbourne Parish Council Internal Control**

A statement of internal control for Rockbourne Parish Council.

### **Legal context**

Rockbourne Parish Council has adopted these controls in accordance with guidance set out in Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG)

### **The purpose of this policy**

The Council's statement of internal control sets down the procedures and processes for managing the day-to-day financial management of the Council.

### **1. Appointment of Officers and Administrative Arrangements**

1.1 The Clerk to the Council is also appointed as the Proper Officer for the several purposes as defined in the Local Government Act 1972 and is also appointed as the Council's Responsible Financial Officer (RFO).

1.2 Such other Officers and contracted support staff may be appointed as deemed necessary to assist with the administration of the Council, and they will report to and work under the direction and authority of the Clerk. Their respective core duties in relation to financial matters will be appended to this document.

### **2. Governance Arrangements**

2.1 The Council is responsible for the consideration and approval of all financial matters. Subject to that, the Council will make and keep under review Financial Regulations and may include within its Standing Orders particular provisions relating to contracts. The Council's System of Internal Control is ancillary to and underpins Financial Regulations and Standing Orders.

2.2 Under approved delegation arrangements, the Clerk is responsible for the day-to-day management of all land and property under the Council's control.

2.3 The Council will appoint a Policy & Resources Committee for the purposes of reviewing and reporting to the Council on estimates and budgetary control. The Committee will also keep under review and report on the Council's system of internal controls.

2.4 The Council is required to appoint an independent Internal Auditor.

2.5 An annual work programme for the Internal Auditor will be agreed by the Council, and the Internal Auditor will provide a certificate to be submitted with the Statement of Accounts and Annual Return as part of the annual external Audit of Accounts.

### **3. Financial and Accounting Procedures**

3.1 The following principles shall be observed in connection with accounting duties:

- a) The duty of providing information, calculating, checking, and recording sums due to, or from, the Council should be separated as completely as possible from the duty of collecting or dispersing them.
- b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.

### **3.2 Cheque Signatories**

3.3 Financial Regulations require that any two Members' signatures are required on cheques and any other method of payment order including the sanction of payments by internet banking that are issued on the Parish Council's accounts. Members will be asked to provide specimen signatures on a formal list to be held as a Council record and also if required by the Council's bankers.

### **4 Invoicing**

4.1 Invoicing for Council services relates only to the hire of the Pavilion, at the Recreation Ground, Rockbourne. These generally fall into two categories – casual and block hirers.

4.2 Block hirers of the Pavilion/Recreation Ground are sent an invoice in January for the previous calendar year's use and the anticipated use to the end of the financial year.

4.3 Casual hirers of the Pavilion/Recreation Ground will normally have been required to pay the total hire fee (plus any deposit) prior to the hire event. The deposit is to be banked upon receipt alongside the hire charge. Unless notified otherwise, the Clerk will prepare deposit refund cheques for signature at the next Parish Council meeting. The Clerk will consult the Chairman of the Parish Council in deciding, should the circumstances so require, whether a deposit should be withheld, either in whole or in part. Where refund of a deposit is withheld, the facts shall be reported to the next available meeting of the Parish Council.

4.4 Invoices shall be rendered based on the scale of fees and charges effective at the time. The Parish Council will review these annually before the start of the next financial year. The Chairman shall undertake the periodic checking of the accuracy of invoices prepared by the Clerk.

4.5 All invoices shall bear reference to payment terms of 30 days.

### **5 Cash and Cheque Handling/Security**

5.1 The Clerk will receive payments either in person (by arrangement) or through the post. No other person is authorised to receive cash from hirers. Upon the receipt of cash in person, a receipt will be issued. All cash and cheques shall be kept safely in a locked container and shall be banked periodically (at least once a week) by the Clerk. The credit/paying in book will be completed with brief details regarding the payee and purpose of the funds.

### **6 Salaries and other Staff Payments**

6.1 Salaries and other staff payments shall be made normally on the 29th of each month, but certainly no later than the last day of each month (by either cheque or BACS). Payments shall be paid on the basis of information agreed and reviewed from time to time by the Parish Council.

## **7 Budgetary Control**

7.1 The Clerk (RFO) will ensure that all accounts certified for payment appear on the Minutes of meetings where payment of accounts are approved.

7.2 The Clerk will provide a Financial Report at each Parish council meeting.

7.3 The Council will meet in November and December for the purposes of budgetary control review and the preparation of estimates for presentation to the December Parish Council meeting. At that meeting, the Parish Council will approve such estimates, and determine its budget requirement and consequent precept for the next financial year.

## **8 Procurement**

8.1 Financial Regulations provide a framework and set procedures for dealing with contracts of certain values. Working beneath that framework, provision needs to be made for the day to day operational work of the Parish Council to be administered, and to that end the Clerk is entitled to use petty cash for small purchases. The Clerk is authorised to issue orders for essential office and cleaning/caretaking supplies to support the Parish Council's administration and the operation of the Recreation Ground Pavilion facility.

8.2 Financial Regulations require that for contracts of a value exceeding £25,000, tenders from at least three firms must be invited. For expenditures of £25,000 or less, and unless the Council directs otherwise, three quotations are required. Where the value is below £5000 but above £500, the Clerk shall strive to obtain three estimates. Subject to those considerations, the Parish Council agrees that for any work, goods or services up to a value of £1,000, the Clerk in consultation with the Chairman of the Council or Chairman of a Committee with delegated powers, shall have executive power. Even though competitive tendering would not be required, the obtaining of alternative quotations may remain desirable. In some cases however, alternative prices or estimates may be pursued and compared before an official order is placed.

8.3 The Clerk may incur expenditure on behalf of the Council which is necessary for the purposes of any repair, replacement or other work of an urgent nature, whether or not budgetary provision exists for such expenditure, up to a limit of £500. The Clerk shall report the action to the Council at the next available meeting.

8.4 The Council has adopted a Procurement Policy that clarifies these matters and that should be followed at all times.

## **9 Asset Management**

9.1 The Council's Asset Register is updated annually and made available online.

## **10.0 Risk Management**

10.1 The Council's Risk Management Policy and Annual Risk Assessment is available online.

## **11.0 Reviewing the effectiveness of the System of Internal Control**

11.1 The Council is responsible for conducting, at least annually, a review of the effectiveness of the system of internal control. This role will be initiated by the Parish

Council and incorporated within the annual work programme of the Council's Internal Auditor. The findings of the annual review shall be reported to and considered by the Council.