

## **BARNHAM PARISH COUNCIL**

### **Statement of Internal Control and Annual Review of Effectiveness of Internal Control**

#### **Bank Reconciliations**

- The bank reconciliation is reported to the Parish Council on a monthly basis and minuted as such.
- The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved in the previous meeting via the expenditure lists.

#### **Financial Regulations**

- The Parish Council has adopted financial regulations, based on the model version prepared by NALC/SLCC. The regulations are reviewed annually for continued relevance and amended where necessary by the Responsible Financial Officer with any proposed amendments subject to approval by the Parish Council Order/Tender controls.
- The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.
- Official orders/letters are sent to suppliers for services which are not regular in nature.

#### **Payment Controls**

- Depending on the nature of the supply, the RFO signs the purchase invoice to indicate that the supply has been received, that the supply has not previously been paid and that the invoice calculations are correct.
- All invoices for payment are listed and presented at the monthly Parish Council Meeting. The expenditure is to be authorised for payment.
- Payments made are listed, on a separate sheet and placed on the website.
- Original invoices are available to the Councillors signing the cheques
- Cheques will be signed by two Councillors, who are authorised to sign on the Council's bank mandate.
- The RFO is authorised to transfer funds from one account to another, but not to make third party payments outside of the bank accounts in any form.
- The RFO is authorised to set up direct debit payments.
- The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Council meetings.
- Each payment is allocated a unique number which is logged in the excel accounts book
- When invoices are paid by cheque, they are identified by the cheque number and referenced in the excel accounts book by the cheques number, as well by the unique identifier.
- All payments are cross referenced with the bank statements.

### **VAT Repayment Claims**

- The RFO ensures that all invoices are addressed to the Parish Council.
- The RFO ensures that proper VAT invoices are received where VAT is payable.
- The RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.

### **Income Controls**

- The RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the District Council.
- The RFO ensures that the precept instalments are received when due.
- The RFO ensures that other receipts are received when due and correctly calculated.
- Income is banked promptly.

### **Financial Reporting**

- A Budget control, comparing actual receipts and payments to the budget and the previous year is prepared on at least a monthly basis, presented to the Parish Council in advance of the meeting and minuted.
- The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes in advance of the start of the year.
- The precept is set on the basis of the budget by the deadline set by Arun District Council

### **Payroll Controls**

- The Clerk is paid under PAYE as an employee and the necessary system for HMRCRTI is in place.
- The Clerk's salary is set as per their contract.
- The salary is paid by cheque
- The Clerk will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.

### **Office and Clerk's Expenses**

- The clerk submits copies of receipts for reimbursement of monies owing for office supplies and other expenses and also claims mileage where applicable at the recommended rate.

### **Asset Control**

- The Clerk maintains a full asset register.
- The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.