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## **Stoke Mandeville Parish Council Statement of Internal Control**

Adopted 13<sup>th</sup> June 2023

Review Date - February 2025

### **1. Purpose of the policy**

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.

The purpose of the annual governance statement is for an authority to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for.

The Council must assert that it has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. An effective internal control process needs to be in place and monitored to achieve this.

### **2. Responsibilities**

- The Council as a corporate body is responsible for setting the precept and approving the annual governance and accountability statement. These responsibilities cannot be delegated.
- The Finance and Governance Committee has delegated responsibilities for management of the Council's finances, policies and procedures and reports back to Council following each committee meeting.
- In accordance with section 151 of the Local Government Act 1972, the Council employs a Clerk who is also the Responsible Finance Officer (RFO) and is responsible for the financial administration of the Council.
- The Council appoints a suitably qualified internal auditor who will carry out an independent audit of the Council's finance records and control systems. Any issues raised by the internal auditor are noted and addressed.
- The scope and plan of the internal audit will be assessed by the Council to ensure that it properly considers and minimises risk to the Council.
- An external auditor is appointed in line with the statutory audit and accounting framework. All notices in respect of the Annual Governance and Accountability Return will be posted by the Clerk on the Council's website and noticeboard.

### **3. Controls**

#### **3.1. Standing Orders**

- The Council will adopt and annually review standing orders to govern how it operates. The policy will be based on the latest NALC recommended template documents.
- The Chair of the Council and the Clerk will be responsible for ensuring that the Standing Orders are followed.

#### **3.2. Financial Regulations.**

- The Parish Council has adopted Finance Regulations based on the latest model version recommended by NALC / SLCC.
- The Regulations are reviewed annually for continued relevance and amended where necessary by the Responsible Finance Officer with any proposed amendments subject to approval by the Chair of the Finance and Governance Committee and the Full Council.

#### **3.3. Scheme of Delegation**

- The Council will delegate to its committees and officers' responsibility for day-to-day management of its assets and routine expenditure up to a value of £5,000.
- Terms of reference for each committee including delegated responsibilities will be prepared and reviewed annually at the Annual Parish Council meeting, where committee members will also be appointed.
- The decisions of each Committee will be recorded in the minutes of its meetings, and these will be noted at the next meeting of the Council.

#### **3.4. Banking Arrangements**

- All accounts held will be set up with a minimum of 3 account signatories who will include the Chair of the Finance & Governance Committee and two other Councillors of the Council.
- The RFO will be a signatory on the accounts for administrative purposes only and cannot authorise payments.
- Each transaction (cheque or electronic transfer) will be authorised by two signatories. They cannot set up bank payments, only authorise them.
- The Parish Council has an online banking system in place. There is a stringent login procedure to follow.
- The RFO is authorised to set up bank payments online.
- The RFO is authorised to transfer funds between the accounts. Transfers must be reported at the next available Parish Council meeting.
- Invoices paid online, can be identified and cross checked to bank statements.
- The account signatories will be reviewed and confirmed annually.
- The RFO will hold a debit card linked to the Parish Council's imprest account that can be used for purchases in shops or online. The maximum limit of expenditure on the card will be £500.

#### **3.5. Investments**

- The Council will adopt and annually review an investment policy which will be based on

the priorities in order of Security - Liquidity – Yield.

### **3.6. Expenditure and Income**

- All invoices will be checked by the RFO, to confirm the supply has been received, that the supply has not previously been paid, and that the invoice calculations are correct.
- Details of invoices will be emailed to the account signatories for checking before authorisation and payment. For expenditure on the debit card, invoices will be certified by the Clerk and will be presented to Council each month.
- The Parish Council subscribes to Rialtas Business solutions (RBS) for a specialist Omega finance software. The RFO is responsible for maintaining an accurate and up to date set of accounts.
- A list of payments will be prepared for each Parish Council and will be recorded in the minutes.
- Original invoices are available to the Councillors authorising payments.
- Payments made under contract by direct debit will be monitored for frequency and accuracy and a schedule prepared for review by the Annual Meeting of the Parish Council.
- A list of all receipts, including the Precept payments, will be included.
- The RFO will ensure that amount of the Precept received is in accordance with the request sent to Buckinghamshire Council.
- Receipts are to be issued for cash received and a copy kept.

### **3.7. Financial Reporting**

- The Clerk will prepare quarterly finance reports to monitor income and expenditure against budgets. These will be reviewed in detail by the Finance and Governance Committee and reported to Full Council.
- The budgeting process will be carried out by the Finance & Governance Committee once the tax base is available.
- The budget and Precept will be resolved at the Full Council meeting in January.
- The RFO will ensure that the Precept is set by the deadline set by Buckinghamshire Council.
- Quarterly bank reconciliations will be checked against bank statements and signed by a member of the Finance and Governance committee and confirmed at the meeting.

### **3.8. VAT**

- The Council is not registered for VAT but will recover VAT under the VAT126 arrangements at appropriate intervals or annually in April.
- The RFO will ensure that all invoices are addressed to the Parish Council.
- The RFO will ensure 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 each year.

### **3.10. Reserves**

- The Council will adopt and annually review a reserves policy.

### **3.11. Risk**

- The Council will carry out an over-arching risk assessment of its activities which will be reviewed annually. Individual risk assessments will be carried out where required, to ensure health and safety guidelines are implemented.

### **3.12. Loans and Long-Term Liabilities**

- The Council does not currently have any outstanding loans.

### **3.13. Fixed Assets and Equipment**

- The Council's assets need to be secured, properly maintained, and efficiently managed by use of an Asset Register which is reviewed annually.
- Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.
- The existence and condition of assets is checked annually by a member of the Parish Council.
- The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.

## **4. Staff and salaries**

- The Council has delegated responsibility for staffing matters to its Staffing Committee.
- All staff will be employed on NALC template contracts, on a specified scale point of the NALC and SLCC salary scales.
- Staff appraisals will be carried out annually in March with an interim appraisal in October.
- Salaries will be reviewed in line with NALC recommendations annually as part of the budgetary process.
- A payroll specialist is employed to prepare the monthly payslips and amount due to HMRC and pensions.
- The Council will enrol all eligible employees in The People's Pension Scheme of which it is a member.
- A budget for staffing will be recommended to the Council by the Staffing Committee each year when setting the precept.