

Internal Controls Document

Legislation

Regulation 4 of Accounts and Audit Regulation (2003) required audited bodies to conduct a review at least once a year and publish a statement on internal control (statement of assurance) each year with the financial statements. The amended regulations in 2006 came into force 1 April 2006. Two of the amendments have an impact on process for preparing the annual statement of assurance.

Regulation 4 requires findings of the review of the system of internal control to be considered by a committee of the body, or members of the body meeting as a whole. Regulation 6 requires bodies to review the effectiveness of their system of internal audit once a year and for the findings of the review to be considered by a committee of the body, or by the body as a whole, as part of consideration of the system of internal control referred to above (Reg 4). Taken together these amendments necessitated a revision of the guidance issued.

Single document covering Internal Controls

Two members of staff are involved in the finance arrangements for Cottenham Parish Council

- Responsible Finance Office (RFO) & Clerk

We have a Finance committee (FLAC) which meets on a monthly basis (except for August)

Receipts

(Financial Regulations (FRs) 9.1)

Precept payments and VAT refunds are received via BACS system direct to Bank account. The Precept is received in April and September and the VAT on a monthly basis.

Payments received for recreation ground facilities, pavilion hire and related income, village green hire or grants are paid in to the relevant bank account by BACS, Cheques (by post), or Cash.

Expenditure and Payments

(Financial Regulations 5.1/5.2)

Internet banking

- BACS payments are processed by the RFO and reported to Full Council.

- Once BACS are verified at the Full Council meeting, two signatories will authorise payment via Unity Trust Bank online and the invoice for each payment should be initialled.
- Cheques are drawn up against invoices and recorded electronically. Two signatories are required for each cheque, the invoice should be initialled.
- Standing orders and Direct Debit mandates are signed by two signatories.
- VAT payments are accounted for separately
- Section 137 spending is accounted for separately.

Payroll/Pensions

(FRs 7.1/7.2)

Cottenham Parish Council have employed a company to carry out our payroll and pension arrangements. The staff have pensions with Legal and General. The RFO informs the payroll company of any additional hours carried out by staff. The pay to employees/Tax and National Insurance/Pension is verified at the Full council meeting and payment for staff is arranged for the last day of the month and Tax, National Insurance and Pension on the appropriate dates.

Signatories

Signatories list attached to this document (**Appendix 1**)

All current accounts are any two signatories to sign. Clerk and RFO are NOT signatories Triodos (pending) – any three signatories to sign (RFO can act as signatory on this account)

Multipay card – Clerk, Assistant Clerk & RFO have access to a Multipay card, with a £300 a month limit. PIN numbers held by cardholders only. Monthly fee of £3 applies.

Responsibilities and Delegations

The clerk is the Proper Officer and we have employed a Responsible Financial Officer for the Parish Councils, as defined in the Local Government Act 1972.

Delegations policies exist for delegating financial decisions to clerk/RFO/Committees/working parties in certain circumstances and as stated within Financial Regulations

Accounts:

Current accounts:

- Select account with Unity Trust Bank (9 Brindley place, Birmingham, B1 2HB) – Opened March 2017
- Unity Trust Project Account – for VH and Nursery project – Opened 2019

Savings accounts:

Unity Trust deposit account – Opened March 2017
Cambridge Building Society – Opened December 2011

Triodos – Opened ???
Nationwide Building Society – Opened January 2020

End of year
(FRs 2.3/2.4)

The RFO with support from our accountant will prepare all end of year figures and Audit for the parish council. This will be reported to both FLAC and Full council.

Internal audit
(FRs 2.4/2.6)

The current Internal auditor is Heelis and Lodge who visits once a year to carry out our internal audit. Our external auditor is PKF Littlejohn.

Financial statements

Monthly reports/Management accounts provided at FLAC and Full council meetings.
Monthly bank reconciliations made to all accounts by RFO and checked by named parish councillor and reviewed at FLAC and Full council (FR 2.2)

Standing orders and Financial regulations

Reviewed annually

Model code of conduct

July 2012
Amended 2015
Review annually.

Role of Finance Legal & Administration Committee

See Terms of Reference - (To be up-dated as changes occur, and reviewed by Finance Legal & Administration Committee)

APPENDIX 1

SIGNATORIES as at March 2020

CBS – Cllrs Morris, Ward, Young, Bolitho

Unity Trust (3 accounts) – Cllrs Morris, Ward, Young, Bolitho, Collinson

Triodos – Cllrs Morris, Ward, Young, Bolitho, Collinson, RFO

Nationwide Building Society – Cllrs Morris, Ward, Young, Bolitho, Collinson

Approved at FLAC Date: March 29th 2019 Item:19F/043