

Internal Control Procedures

Financial Year 2018-19

Adopted: 06/06/2018

To be reviewed: June 2019

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| 1. | | Rules set down in the Financial Regulations at least must be adhered to. Where possible, 3 written quotes should be sought. |
| 2. | Quotes / Tenders | Evaluation of quotes and tenders are made with clear criteria for selection |
| 3. | | Ordering of goods – all goods must be ordered by one member of staff, checked at delivery by another member of staff and invoices approved for payment by the RFO. |
| 4. | | All invoices must be checked and signed by the person who ordered the goods and /or services. The invoice is then passed to the RFO for her approval before payment and processing. |
| 5. | Purchase invoices | Invoices are numbered automatically through the computerised accounts system and filed accordingly. |
| 6. | Payments | The weekly list of payments is sent to all councillors by email for review before they are signed. Queries are flagged immediately to all. |
| 7. | | All invoices are signed by the 2 signatories of the relevant cheque / BACS approval |
| 8. | | All invoices must be attached to cheques / BACS approval for signature by bank signatories. |
| 9. | | Finance & HR Committee members carry out an internal audit of payments selected at random. |
| 10. | | All signatories must be councillors. No officers are signatories to the bank accounts. |

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| 11. | | List of monthly accounts for payment are included in the minutes of each Full Council meeting. |
| 12. | On-line bank transfers | Authorisation forms are signed by 2 signatories. The RFO or authorised councillor undertakes the transfer. The AFO reviews the bank statements to ensure only approved payments are made. Each BACS payment must have a corresponding signed BACS approval form. A member of the Finance and HR Committee randomly audits payments against the bank statement at the next FHR meeting following the payment. |
| 13. | Petty Cash | All vouchers must be signed by the person receiving the money for the voucher and countersigned by another officer. |
| 14. | | The AFO must undertake a reconciliation of the petty cash float each time the float is replenished and sign the reconciliation. The RFO must review the reconciliation and paperwork attached and sign to approve the payment. |
| 15. | | A receipt is required for all purchases with the exception of mileage which is at a standard rate per mile. |
| 16. | Bank | Monthly bank reconciliations on all bank accounts are undertaken. |
| 17. | | Bank reconciliations are signed by a member of the Finance and HR Committee each month. |
| 18. | | Bank statements – end of month balances are verified by a member of the F&HR Committee monthly. |

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| 19. | | Two councillor signatories on every bank account |
| 20. | Asset register | The asset register is reviewed at least annually and reported to the Finance and HR Committee for approval. |
| 21. | | All asset disposals must be discussed and minuted at Full Council |
| 22. | Insurance | Cover is annually reviewed by RFO and Finance and HR Committee |
| 23. | | Alternative quotes are received at least every three years to ensure best value. |
| 24. | Fidelity Guarantee | Insurance cover is set in line with best practice amounts of total of end of year balances plus half of the annual precept |
| 25. | Budget | Setting of budgets discussed at committee, consolidation discussed and reported at Finance and HR Committee meeting and reported and approved by Full Council each month between September and setting the budget / precept in December or January each year. |
| 26. | Financial Statements | Detailed Financial Statements presented to Finance and HR Committee at each meeting and Full Council quarterly. |
| 27. | | Variance analysis included through computerised accounts system |
| 28. | Risk Assessments | Risk assessment are reviewed at least annually and periodically throughout the year by the council. |
| 29. | | Regular daily, weekly, monthly, quarterly and annual checks are made on the risks at the community centre and sports park as part of a standard maintenance review regime. |

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| | | Any issues are reported through line management immediately. Action is instigated as appropriate or referred to the relevant committee. |
| 30. | | Team leaders review all risk assessments at least monthly and create an action plan. |
| 31. | | Checks of playground equipment undertaken by a suitably qualified person at least monthly and reported to Planning, Highways & Environment Committee. |
| 32. | | Quarterly inspection reports undertaken for all external assets and action instigated as appropriate. |
| 33. | Damage Bonds | All damage bond cheques held by the Assistant Finance Officer. A list is maintained through the computerised booking system and reconciled by the AFO. |
| 34. | | Shredding of damage bonds cheques to only be undertaken once the event has happened and no damaged occurred. |
| 35. | | 2 signatories to witness shredding of cheques and sign to confirm |
| 36. | Sales invoicing | Computerised booking system linking bookings and the accounts. This should ensure that no bookings go un-invoiced. |
| 37. | | Bookings entered by Centre and Park managers. |
| 38. | Creditors / Debtors | Month end creditors and debtors checked by RFO to ensure they agree with nominal ledger. |
| 39. | | Overdue debtor report submitted to RFO monthly and liaison with Centre and Park Mgrs |

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| | | undertaken to chase outstanding debts. |
| 40. | | Outstanding invoices chased regularly by AFO and Centre and Park Mgrs. All debtors overdue by 90 days to be reported to the relevant committee. |
| 41. | | Bad debts may only be written off after approval from Full Council has been received and minuted. |
| 42. | | The Council appoints an independent internal auditor. |
| 43. | Internal Auditor | The internal auditor undertakes interim and final audits which are sent to the Finance and HR Committee for review. Reports also sent to Full Council for ratification. |
| 44. | | Issues raised by the internal auditor are addressed immediately and notified to the Finance and HR Committee and Full Council. Any matters raised are also minuted. |
| 45. | Internal Audit | |
| 46. | | Sequential numbering is included on all pages |
| 47. | Minutes | Sequential numbering is included on all item numbers |
| 48. | | All committee minutes are subsequently approved by Full Council |
| 49. | | The payroll is administered by the RFO using a computerised payroll system. |
| 50. | Payroll | Monthly RTi reports are submitted through the computerised system. |
| 51. | | The payment of salaries is checked monthly by a bank signatory / councillor and the |

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| | | form signed prior to payment of the salaries |
| 52. | | The payroll is reviewed and approved at each Finance and HR Committee meeting. |
| 53. | | Payroll payments are ratified by Full Council and included in the list of payments made on a monthly basis. |
| 54. | | Pay reviews are agreed at the Finance and HR Committee meetings. |
| 55. | | Monthly payments of PAYE and NIC are paid by BACS following the normal BACS payment procedure. |
| 56. | | An internal audit of randomly selected payments made linked to timesheets if appropriate each month. |
| 57. | | A review is conducted by Finance and HR Committee to ensure that agreed procedures are followed. |
| 58. | Leases and legal agreements | <p>Agreed procedures include:</p> <ul style="list-style-type: none"> • authorisation for specified officers only to negotiate the agreement with the solicitors • authorisation for specified officers only to amend the agreement using track changes to highlight ALL amendments for review by the Council • measures put in place to ensure that councillors are not able to amend the agreement • Review of the agreement by the relevant committee at a committee meeting • Approval of the agreement by Full Council at a council meeting prior to signature |

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| | | <ul style="list-style-type: none">• Any agreement must be signed by duly authorised councillors and officers. Authorised signatories will be approved by Full Council at a council meeting. |
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