**CAWOOD PARISH COUNCIL**

**STATEMENT OF INTERNAL CONTROL**

**1 Bank reconciliations**

A The cash book is kept electronically, maintained up to date from original documents (cash received, invoices, payments (s/o) made and cheques as they are prepared)

B The cash book is reconciled to the bank statement at least monthly.

C Reconciled accounts are presented quarterly for reference and are approved by the Internal Control Councillor and approval minuted, thus the bank reconciliation is reported quarterly to the Parish Council

D The cash books, payments and receipts, and bank reconciliation is reviewed and approved by a member of the Parish Council, with reference to the underlying records (bank statements and minutes plus copies of accounts papers etc) at least biannually.

E 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 minutes.

F The RFO is authorised to transfer funds from one account to another

**2 Financial Regulations & Standing Orders**

A The Parish Council has adopted financial regulations and standing orders, based on the model versions prepared by NALC/ YALC,

B The regulations and orders are reviewed for continued relevance at least annually and amended where necessary by the Responsible Financial Officer with any proposed amendments subject to approval by the Parish Council.

**3 Order/Tender controls**

A 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.

B Official orders/letters are sent to suppliers for services which are not regular in nature Legal Powers

C A proper legal power is identified in advance of any expenditure by the RFO

**5 Payment controls**

A Depending on the nature of the supply, the RFO checks 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.

B Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable.

C Payments will be listed in reference order in accounts files.

D All invoices for payment are listed on the agenda of a meeting where the expenditure is to be authorised for payment.

E Payments made are listed in the minutes of the meeting.

F Payment will be by electronic bank transfer rather than by cheque unless exceptional circumstances dictate otherwise

G Cash payments will not be made

H The Clerk and Handyman will use Parish Council debit cards for agreed Parish Council consumables

**6 Cheque payment controls**

A Original invoices are available to the Councillors signing the cheques.

B Cheques will be signed by two Councillors, who are authorised to sign on the Council’s bank mandate. Councillors who are signatories will initial the appropriate cheque stub after cheque signing.

C The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved by Council, preferably in Council meetings.

D Every payment is identified by a sequential unique number. This number is used to identify the transaction in the payments’ cashbook, the invoice and cross referenced to the bank statement.

E When invoices are paid by cheque, they are with identified by the cheque number and referenced in the cashbook by the cheque number, as well by the unique identifier. This is cross checked with the bank statements.

**7 Payments made under section 137 of the 1972 LGA**

A The RFO calculates the maximum amount of s137 expenditure able to be made each year and ensures that it is not exceeded – confirmed to the Parish Council when expenditure is considered either by reference to a specific budget for that payment or to the amount of unspent s137 money available.

B Where requests for expenditure from s137 are made this is made clear at the meeting where the payment is to be approved.

C The proper minute authorising expenditure from s137 is prepared on each occasion.

**8 VAT repayment claims**

A VAT will be reclaimed every 6 months

B RFO ensures that all invoices are addressed to the Parish Council.

C RFO ensures that proper VAT invoices are received where VAT is payable.

D RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year.

**9 Income controls**

A RFO ensures that amount of the precept received is correct in accordance with the precept request sent to the District Council.

B RFO ensures that the precept instalments are received when due.

C RFO ensures that other receipts are received when due and correctly calculated.

D Receipts are issued for cash received and a copy kept.

E Income is banked promptly.

F A petty cash float will not be kept.

**10 Financial reporting**

A A Budget control, comparing actual receipts and payments to the budget is prepared on a quarterly basis, presented to the Parish Council at the meeting.

**11 Budgetary controls**

A The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes in advance of the start of the year.

B The precept is set on the basis of the budget by the deadline set by Selby District Council at the end of January. In future years NYCC will set precept deadlines.

**12 Payroll controls**

A Staff contracts are prepared by the Staffing Committee and agreed by the full Council and are reviewed and amended where necessary by the Staffing Committee and approved by the Council.

B All employees are paid under PAYE as an employee and the necessary system for HMRC RTI is in place.

C All employees’ salaries are set by the Council and a minute is prepared to show the agreed salary point. Cawood Parish Council staff salaries follow NJC pay scales and nationally agreed pay awards.

D Staff pension provision and compliance will be the responsibility of the RFO.

E The salaries are paid by electronic bank transfer and the payroll provider (Autela) will issue monthly electronic pay slips

F The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done

**13 Staff expenses**

A The Clerk will be paid £10 per month tax free contribution towards working from home expenses

B Training will be budgeted annually and time paid for additional necessary hours, as agreed with line managers

**14 Asset Control**

A The RFO maintains a full asset register compiled by Councillors and the Clerk and reviewed in September.

B The existence and condition of assets is checked annually by the Clerk and members of the Parish Council with assistance from the Village Handyman.

C The RFO will make reference to the Asset Register when considering insurance renewals in November

D The adequacy of insurance of the Parish Council’s assets is considered annually in advance of the insurance renewal.

**15 Risk Management**

A A risk management schedule is reviewed annually and presented to a Council meeting where it is approved, signed and minuted as approved by the Council.

Internal Control Measures were approved in Nov 2019.

Reviewed January 2022.

Next review January 2024.