



GREAT GLEN PARISH COUNCIL

Glendale House, 1 Church Road, Great Glen, Leicestershire LE8 9FE

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Parish Manager - Joanne Adkins

STATEMENT OF INTERNAL CONTROLS AND ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

1.0 OVERVIEW

- 1.1 Regulation 4 of the Accounts and Audit Regulations 2015 as amended, imposes a duty on Local Councils to ensure "that the financial management of the body is adequate and effective and that the body has a sound system of internal control."
- 1.2 Local Councils are required, at least once a year, to conduct, in accordance with proper practices, a review of the effectiveness of its system of internal control. The Parish Council is required to sign the Annual Governance Statement (on the Annual Return submitted to the External Auditor) to evidence that this review has been undertaken.
- 1.3 In order for the Parish Council to review the effectiveness of the internal control system there needs to be clarity on the internal controls in place.
- 1.4 Some internal controls are listed in the Financial Regulations document, but the system of controls goes beyond this. A Statement of Internal Controls has therefore been prepared and this is included following this report.

2.0 RECOMMENDATION

- 2.1 That the Parish Council consider the attached Statement of Internal Controls reviewing it to consider whether the controls currently in place are effective.

PREPARED BY: Joanne Adkins, Parish Manager and RFO, March 2024

The following statement of internal control was considered by Great Glen Parish Council at its meeting of 9th April 2024 and approved by the Parish Council as a true statement of the course of events undertaken by the Parish Manager/RFO.

SIGNATURE OF CHAIR:

T.A. C.

DATE:

9/4/24



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STATEMENT OF INTERNAL CONTROLS

CASH BOOK/BANK RECONCILIATIONS

- The cashbook is kept electronically in spreadsheet format/accounting software and maintained up to date from original documents (monies received/payments made).
- The cash book is reconciled to the bank statement each calendar month.
- A reconciled Income and Expenditure Account is presented in advance of each Full Parish Council meeting for information and approval.
- The bank reconciliation is reported to and approved by the Full Parish Council monthly and minuted as such.

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 Chair of the Finance Committee and the Full 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.

LEGAL POWERS

- A proper legal power is identified in advance of any expenditure.

PAYMENT CONTROLS

- The RFO will scrutinise each purchase invoice, confirm supply has been received, that supply has not previously been paid and that the invoice calculations are correct.
- Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable.
- Payments are listed in date of payment order in the cashbook and in accounts files.
- Every invoice has a unique sequential transaction number which can be matched to the payment and the corresponding transaction on the bank statement.
- Payments made are reported by the RFO at each Full Parish Council meeting.
- Original invoices are available to the Councillors authorising payments.

- Payments will be signed by two Councillors.
- 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 not an authorised signatory for any bank mandates.
- Chair of the Parish Council is authorised to approve online bank payments. They cannot set up bank payments, only authorise them.
- The RFO is authorised to transfer funds from one account to another.
- When invoices are paid by online banking, they can be identified and cross checked with the bank statements.

PAYMENTS MADE UNDER SECTION 137

- A separate S137 account is maintained.
- The RFO calculates the maximum amount of S137 expenditure able to be made each year and ensures that it is not exceeded.
- The RFO confirms 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.
- Where requests for expenditure from S137 are made this is made clear on the meeting Agenda where the payment is to be approved.
- The proper Minute authorising expenditure from S137 is prepared on each occasion.

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 request sent to Harborough 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.
- Receipts are issued for cash received and a copy kept.

FINANCIAL REPORTING

- A budget control, comparing actual receipts and payments to the budget and the previous year is prepared on at least a quarterly basis, presented to the Finance Committee in advance of their meeting and minuted as such budgetary controls.
- The budget is prepared in consultation with the Finance Committee, as evidenced by reports and minutes in advance of the start of the year. The budget is reported to the Full Parish Council.
- The Precept is set on the basis of the budget, by the deadline set by Harborough District Council.

PAYROLL CONTROLS

- The Parish Manager is paid under PAYE as an employee and the necessary system for HMRC RTI is in place.
- The Parish Manager's salary is set by the Parish Council and a Minute is prepared to show the agreed salary.
- The salary is paid by BACS.
- The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.

OFFICE AND PARISH MANAGER'S EXPENSES

- The Parish Manager submits a request for reimbursement of monies owing by way of an expense account.
- The expenses cover any out of pocket expenses as well as motoring expenses, as laid down by joint SLCC/NALC guidelines.
- Expenses are paid by BACS.

ASSET CONTROL

- The RFO maintains a full asset register.
- The existence and condition of assets is checked on an annual basis.
- The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.