

SPARSHOLT PARISH COUNCIL INTERNAL FINANCIAL CONTROLS

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 council is required to sign the annual governance statement to evidence that this review has been undertaken.

For the Parish Council to review the effectiveness of the internal control system there needs to be clarity on the internal controls in place.

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.

<p>Bank Reconciliations</p>	<ul style="list-style-type: none"> • Spreadsheets of receipts and payments (Workbook, payments receipts) are kept and maintained up to date from original documents (payment advice/cheques/invoices). • The Workbook is reconciled to the bank statement monthly. • Reconciled accounts (Budgets Act & Est spreadsheet) are presented to bimonthly Parish Council meetings. • Reconciled accounts (Workbook, Budgets Act & Est spreadsheet) are reviewed and signed by the Chairman on a bi-monthly basis. • Bank statements are printed monthly and are verified and signed by the Chairman bimonthly. • All receipts and payments are reported to and authorised by full parish council bimonthly.
<p>Financial Regulations</p>	<ul style="list-style-type: none"> • The Parish Council has adopted financial regulations, based on the model version prepared by NALC. 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 Parish Council
<p>Order/Tender controls</p>	<ul style="list-style-type: none"> • 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. • Official orders/letters are sent to suppliers for services which are not regular in nature. • Where the Council has agreed to pay for works conducted by a third party the RFO will write to inform that third party that they must provide suitable quotations and must not commission work until a specific quotation agreed.
<p>Payment controls</p>	<ul style="list-style-type: none"> • On receipt of an invoice the RFO checks that the supply has been received and checks that the supply has not previously been paid and that the calculations are correct. • Purchase orders/emails/letters ordering the work are matched to payment vouchers where applicable. • Every payment has a payment voucher number which is matched to the payment invoice. • Payments are listed in the Workbook Payment spreadsheet with the applicable payment voucher number. • Payments made are listed in the minutes of the bimonthly full council meeting. • Original invoices are always available to the Councillors. • The RFO adds the beneficiary to the online banking account. • The RFO emails the online banking account signatories with evidence of the beneficiary bank account details and requests that online approval is made by two signatories.

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	<ul style="list-style-type: none"> • Once approved signatories 'reply all'. • The RFO sets up the online banking payment. • The RFO notifies the account signatories by email of the payments that have been set up and supplies a copy of the corresponding invoices. • Two Account signatories approve the online payments to enable the transaction to proceed. • Once approved the signatories 'reply all'. • The Clerk is not an authorised signatory. • When invoices are paid they are identified by the payment voucher number. • Sparsholt Parish holds an online banking process.
VAT repayment claims	<ul style="list-style-type: none"> • RFO ensures that all invoices are addressed to the Parish Council. • RFO ensures that VAT is reclaimed every six months or every year if this is not possible.
Income controls	<ul style="list-style-type: none"> • RFO ensures that amount of the precept received is correct in accordance with the precept request sent to Winchester City Council. • RFO ensures that the precept instalments are received when due • RFO ensures that other receipts are received when due and correctly calculated • Receipts are issued for cash received and a copy kept • Income is banked promptly
Financial reporting	<ul style="list-style-type: none"> • A Budget control, comparing actual receipts and payments to the budget and the previous year is prepared on bimonthly basis, presented to the Parish Council in advance of the meeting and minuted as such
Budgetary controls	<ul style="list-style-type: none"> • The budget is prepared in consultation with the Parish Council, as evidenced by reports and minutes in advance of the start of the year • The precept is set based on the budget by the deadline set by Winchester City Council.
Payroll controls	<ul style="list-style-type: none"> • The Clerk is paid under PAYE as an employee. • The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary. • Kimball Smith retained to manage the payroll and to make the appropriate returns to HMRC.
Clerk/RFO's expenses	<ul style="list-style-type: none"> • The clerk submits a request for reimbursement of monies owing • The expenses cover the cost of items of stationery purchased on behalf of the Parish Council, telephone and photocopying expenses as well as motoring expenses as laid down by joint SLCC/NALC guidelines
Asset Control	<ul style="list-style-type: none"> • The RFO maintains a full asset register • The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal

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