

Kettleburgh Parish Council

Internal Controls

Introduction

1. Kettleburgh Parish Council (“the Council”) uses all the standard documents and further policies as required to define processes. This document summarises relevant sections from those documents and the procedures followed as a result of them for clarity on the internal controls the Council operates, to assist in the annual review process.

Finances

2. The Responsible Finance Officer to the Council (“the RFO”) uses approved budget information to add the years expected expenses to the Payment Schedule.

3. The Payment Schedule is approved by the Council at each full meeting, and signed by two Councillors present, then stored as a permanent record with the minutes.

4. The RFO submits due payments via online banking but is unable to make the payment without approval because the bank have configured the account for Dual Authorisation.

5. A Councillor is notified of submitted payments and after checking they are approved on the Payment Schedule authorises them so that the bank then make the payment.

6. The RFO keeps the status of payments updated on the Payment Schedule so that councillors can see which status they are in (table below).

7. In advance of each full meeting the RFO sends all Councillors the Payment Schedule and recent bank statements to allow them to ensure payments have been made as approved and no other payments have been made.

8. The Payment Schedule includes details of the bank statements being sent so that Councillors can ensure they see and reconcile all bank statements.

Payment Status	Explanation
To be approved	This is the first time the payment has appeared on the Payment Schedule and Councillors need to satisfy themselves it is a necessary and valid payment.
Approved	This will have the date of the meeting at which the payment was approved. The RFO will make the payment when it is due.
To be reconciled	The payment has been made (the payment date will be listed) and Councillors should check it appears on the bank statement as stated.
To be approved and reconciled	A combination of the first and third statuses above.
Reconciled	This will have the date of the meeting at which the payment was reconciled. The payment has been made and Councillors have had the opportunity to reconcile it to the bank statement.

9. The above (items 2 to 8) allows:

- All planned payments to be approved by the Council before they are made;
- Unplanned payments for normal council business (i.e. planning meetings, etc.) to be made and the Council notified at the next full meeting;
- Councillors to ensure no unauthorised payments have been made.

10. The above (items 2 to 8) does not allow:

- Any individual to process any payment alone.

11. The RFO proposes a budget for the following financial year which the Council approve at the November full council meeting and this budget is then circulated to councillors for reference.

12. At each scheduled full council meeting the RFO presents to the Council a Financial Statement showing spending to date within expense categories and compared to the current budget. The RFO will also highlight any spending beyond expectations and whether this will push spending in that category beyond the budgeted figure for the year.

Physical Assets

13. The Clerk to the Council (“the Clerk”) maintains a list of physical assets belonging to the Council, known as the Asset Register.

14. The Clerk checks the condition of all appropriate assets regularly and notifies the council of any urgent works or updates the Asset Register with an assessment.

15. The Council review the above annually and approval is recorded in the minutes.

Risks

16. The Clerk annually assesses all risks facing the Council and presents the Risk Assessment to the Council for approval which is recorded in the minutes.

17. Councillors should ensure they agree that all risks are included in the assessment and that the Internal Controls are sufficient.