

**Statement of Internal Control and Annual Review of Effectiveness of Internal Control**

**Cash Book/Bank Reconciliations**

- The cash book is kept electronically, maintained up to date from original documents (INCOME, invoices, payments made and cheques as they are prepared).
- The cash book is reconciled to the bank statement at least monthly.
- Reconciled accounts are presented at each Parish Council meeting for reference.
- The cash books, payments and receipts and bank reconciliation is reviewed and approved by members of the Parish Council, with reference to the underlying records (bank statements and minutes plus copies of accounts papers etc.) at least annually.
- The bank reconciliation is reported to the Finance Committee.
- 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 expenditure lists.

**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 Parish Council.
- 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.

**Legal Powers**

- The Parish Council uses its power under the Localism Act 2011, Section 1 – General Power of Competence Order 2012.

**Payment Controls**

- Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable.
- Payments will be listed in cheques number order in the cash books and in accounts files.
- All invoices either for payment or for authorization are listed and presented at the Finance Meeting.
- The clerk has authority to make payments of under £300 total.
- Payments made are listed & reported in the minutes of the meeting.
- Original invoices are available to the Councillors signing the cheques or authorising BACS payments.
- Cheques will be signed by two Councillors, who are authorised to sign on the council's bank mandate.
- The council has an online banking system in place, for the purpose of making payments, viewing statements and transferring funds between accounts.

- The RFO is authorised to set up direct debit payments.
- The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Council meetings.
- When invoices are paid by cheque, they are identified by the cheque number and referenced in the cashbook by the cheque number.
- This is cross checked with the bank statements.

#### **VAT Repayment Claims**

- 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 precept request sent to the District Council.
- The RFO ensures that the precept installments are received when due.
- Income is banked promptly.

#### **Financial Reporting**

- Balances are reported to the Council at least quarterly and minuted
- 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 on the basis of the budget by the deadline set by Devon County Council.

#### **Payroll Controls**

- The Clerk is paid under PAYE as an employee. Payroll is undertaken by NDDC.
- The Clerk's salary is set as per their contract.
- The salary is paid by Bac's.

#### **Office and Clerk's Expenses**

- The clerk submits a request for reimbursement of monies owing by way of an expense account, in advance of each meeting, authorised by the RFO.
- Expenses are paid by cheque or BACS and the expense sheet treated as an invoice for accounting purposes.

#### **Asset Control**

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

This SIC was reviewed and agreed

Date 13/09/2016