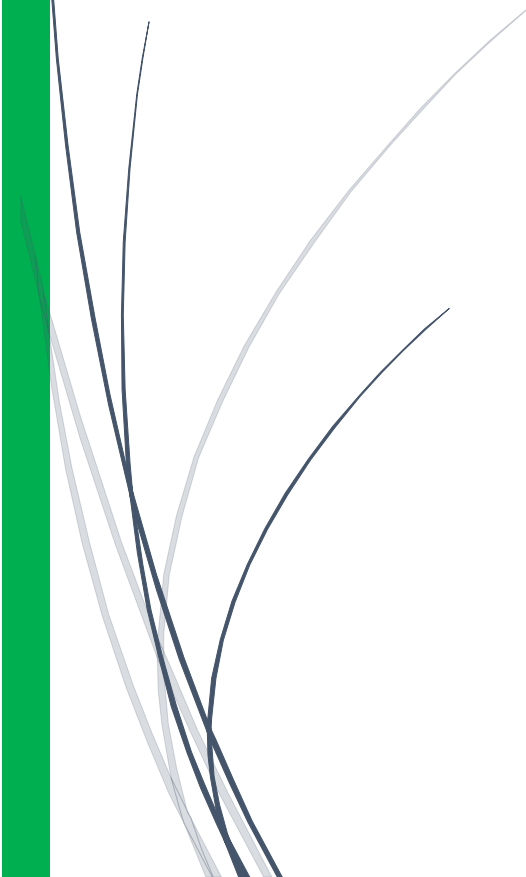


Winchcombe Town Council

Internal Control Arrangements



Winchcombe



Winchcombe Town Council Internal Control Arrangements 1.

Purpose

The system of internal control is designed to manage risk as far as is reasonably practicable rather than totally eliminating all risk of failure to deliver policy aims and objectives. The system's objectives are to identify the risks to the Council, to evaluate the likelihood of those risks being realised, the impact they should have if realised, to report to the Council, and to manage them.

The system adopted by Winchcombe Town Council accords with “The Governance & Accountability for Local Councils Practitioners Guide 2019”

2. Scope of Responsibility

Winchcombe Town Council as a Local Authority is primarily funded by public money and is not only responsible for ensuring that business is conducted in accordance with the law and proper standards but also that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The scope of the Internal Audit Work includes:

- **Proper book-keeping** – receipts and payment books or computer records, regular reconciliation of books and bank statements, supporting invoices, and receipts.
- **Financial Regulations** – Standing Orders and Financial regulations, tenders, appropriate payment controls including acting within the legal framework with reference to Council minutes, Identifying VAT payments and reclamation, cheque books, paying-in books, and other relevant documentation.
- **Risk Assessment** – Appropriate procedures of risk assessment are in place for the activities of the Council.
- **Budgetary Controls** – Verifying the budgetary process with reference to Council and Committee minutes and supporting documentation.
- **Income Controls** – Precept and other income control mechanisms.
- **Petty Cash** – Not applicable.
- **Payroll Controls** – PAYE and NI contributions are in place where necessary. Compliance with HMRC procedures. Records relating to contracts of employment and HR policies.
- **Asset Control** – Inspection of the asset register and checks on existing assets. Maintenance inspection and valuation by Quantity Surveyor. Crosschecking adequate insurance covers and deeds (where applicable).
- **Bank Reconciliation** – Regularly completed cash books reconciled with bank statements.

- **Year-end procedures** – Appropriate accounting procedures are used and can be tracked from working papers to final documentation. Annual External Audit.

3. The Internal Control Environment

The Council reviews its obligations and objectives and approves a budget for the coming year normally at the December or January meeting. At the same meeting, the Council will set the precept for the coming financial year.

The Council has appointed several Committees:

- General Purposes
- Leisure and Tourism
- Burial
- Playing Fields
- Finance
- Planning

All but the Planning Committee hold a budget. Members of the Committees monitor progress against objectives, procedures, and budget and carry out reviews of financial matters. The Minutes of meetings of the Committees are made, circulated to all Members of the Council, and are kept in the minute book.

The full Council meets twelve times a year (on the first Wednesday of every month). It monitors progress by receiving relevant reports from the Committees and the Clerk.

The Financial Regulations govern the expenditure and regulate the level of spending allowed before coming to the full Council for formal approval.

4. Clerk to the Council and Responsible Financial Officer

The Council has appointed the Clerk as the Responsible Financial Officer (RFO) and is responsible for administering the Council's finances. The Clerk provides advice to help the Council ensure that its procedures, controls, and policies are adhered to.

5. Payments

All expenditures must be reported to and authorised by the Council or by Committee in accordance with the Financial Regulations. All items of expenditure are recorded and reported to the full Council at its monthly meeting.

Two Members [Councillors] and the Clerk sign all cheques and bank transfers. The signatories are expected to check each cheque against the relevant invoice and initial the cheque stub.

6. Electronic Payments

Payments for certain items may be made by Direct Debit (DD), Bankers Automated Clearing System (BACS), or Clearing House Automated Payment System (CHAPS) methods. The Clerk will retain a list of such payments which are recorded and reported to the full Council at its monthly meeting.

7. Risk Assessments

The Council's risk Assessment is reviewed annually along with the level of Fidelity Guarantee insurance and other insurance cover.

8. Internal Audit

The Council has appointed an Independent Internal Auditor who will audit the accounts on an approximately quarterly basis and report to the Council on the adequacy of its financial records, procedures, and systems.

9. External Audit

The Council's external Auditors submit an annual "Certificate of Audit" which is presented to the Council.