



UP HATHERLEY PARISH COUNCIL

Cheltenham, Gloucestershire

Clerk – Kathryn Oakey, 15 Holmer Crescent, Up Hatherley, Cheltenham, GL51 3LR

Chair – Sarah Bamford, The Woodbines, Sunnyfield Lane, Up Hatherley

Statement of Internal Control

1 Purpose of the policy

The Accounts and Audit Regulations require authorities to conduct a review of the effectiveness of the system of internal control, and prepare an annual governance statement in accordance with proper practices in relation to accounts.

The purpose of the annual governance statement is for an authority to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for.

The Council must assert that it has maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

An effective internal control processes needs to be in place and monitored in order to achieve this.

2 Responsibilities

- 2.1. The Council is responsible for setting the precept and approving the annual governance and accountability statement. These responsibilities cannot be delegated.
- 2.2. The Council is responsible for management of the Council's finances, policies and procedures.
- 2.3. In accordance with section 151 of the Local Government Act 1972, the Council employs a Clerk who is also the Responsible Finance Officer and is responsible for the financial administration of the Council.
- 2.4. The Council appoints a suitably qualified internal auditor who will carry out an independent audit of the Council's finance records and control systems. Any issues raised by the internal auditor are noted and addressed.
- 2.5. The scope and plan of the internal audit will be assessed by the Council to ensure that it properly takes into account and minimises risk to the Council.



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2.6. An external auditor is appointed in line with the statutory audit and accounting framework. All notices in respect of the Annual Governance and Accountability Return will be posted by the Clerk on the Council’s website and noticeboard.

3 Controls

3.1. Standing Orders

The Council will adopt and annually review standing orders to govern how it operates. The policy will be based on the latest NALC recommended template documents. The Chair of the Council and the Clerk will be responsible for ensuring that the Standing Orders are followed.

3.2. Financial Regulations.

The Council will adopt and annually review finance regulations to ensure it operates within the legal framework. The policy will be based on the latest NALC recommended template documents. The regulations will include the procurement framework and spending.

3.3. Scheme of Delegation

3.3.1. The Council will delegate to its officers responsibility for day to-day management of its assets and routine expenditure.

3.3.2. The Council operates a “Working Group” structure and membership is determined and reviewed annually at the Annual Parish Council meeting. All decisions are made by Council based on recommendations from the working group.

3.4. Banking Arrangements

3.4.1. All accounts held will be set up with a minimum of 4 account signatories who will include the Chair and Vice-Chair of the Council.

3.4.2. The Clerk will be a signatory on the accounts for administrative purposes only and cannot authorise payments.

3.4.3. The Clerk will manage the day to day operations for the payment of invoices via online banking, and full payment lists will be brought to the following meeting.

3.4.4. Cheques raised will require authorisation by two signatories.



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3.4.5. The account signatories will be reviewed and confirmed annually.

3.5. Investments

The Council operates a savings account within the bank, and will ensure that money is moved between this and the current account to gain a return.

3.6. Payments and Receipts

3.6.1. All invoices will be checked by the Clerk who will confirm that the work, goods or service to which the invoice relates has been received, carried out, examined and represents expenditure approved by the Council.

3.6.2. A list of all payments other than salary related will be prepared for the Council at each meeting and will be recorded in the minutes.

3.6.3. Payments made under contract by direct debit will be monitored for frequency and accuracy and a schedule prepared for review by the Council.

3.7. Financial Reporting

3.7.1. The Clerk will send monthly bank, Income and Expenditure reconciliations to the nominated member as soon after the month end as possible.

3.7.2. The Clerk will prepare quarterly finance reports to monitor income and expenditure against budgets. These will be reviewed in detail by the Council at the next available meeting.

3.7.3. Reserves will be monitored and reported at the meeting alongside the quarterly report.

3.8. VAT

The Council is not VAT registered however will submit timely VAT returns electronically to reclaim VAT.

3.9. Budgeting and Precept setting



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3.9.1. A Budget setting working group will meet before the January meeting to discuss the finances required and set a proposed precept for recommendation at the January meeting of Council.

3.9.2. The precept will be resolved at a full meeting of the Council in line with the budget.

3.10. Risk

The Council will carry out an over-arching risk assessment of its activities, including adequacy of insurance levels, which will be reviewed annually at the May meeting. Individual risk assessments will be carried out where required, to ensure health and safety guidelines are implemented.

3.11. Loans and Long-Term Liabilities

Outstanding loans will be noted and reviewed annually.

3.12. Fixed Assets and Equipment

The Council's assets need to be secured, properly maintained and efficiently managed by use of an Asset Register which is reviewed annually. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.

4 Staff and salaries

4.1. All staff will be employed on NALC template contracts, on a specified scale point of the NALC and SLCC salary scales.

4.2. Salaries will be reviewed in line with NALC recommendations annually in April.

4.3. A payroll specialist (PATA) is employed to prepare the monthly payslips and amounts due to HMRC and pensions.

4.4. The Council will ensure eligible employees are part of a suitable Pension Scheme.

4.5. A budget for staffing will be included when setting the precept.



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Summary of Annual Process

Annual Checks	Due date
Review of Standing Orders	May
Review of Finance Regulations	May
Review of Working Group Structure and appointments	May
Confirmation of bank account signatories	May
Review of Direct Debits	May
Review of asset register	May
Review of Risk assessment	May
Salary review / NALC pay rises	January
Year End Internal Audit (prior year)	May
Annual Governance Statement (prior year)	May
Annual Accounting statement (prior year)	May
Budget and Precept setting for the next financial year	January
Quarterly Reporting	July, November, January, May
List of payments	All Meetings
Over £100 List on website	Ad hoc through year