

STATEMENT OF INTERNAL FINANCIAL CONTROLS
HARVINGTON PARISH COUNCIL - May 2021.

Cash Book Bank reconciliations	<ul style="list-style-type: none"> • The cash book is kept electronically in an excel spreadsheet format, maintained from original documents (i.e. invoices, payments and cheques) • The cash book is reconciled to the bank statement at least bi-monthly. • Reconciled accounts are prepared in advance of each Council meeting. • The payments and receipts, and bank reconciliation is reviewed and signed by a member of the Parish Council along with recent bank statements who is not a cheque signatory. • The bank reconciliation is reported to the Parish Council and minuted at each meeting. • 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 minutes.
Financial Regulations	<p>The Parish Council has adopted financial regulations, based on the model version prepared by NALC. The regulations are reviewed annually and amended by the RFO with any proposed amendments subject to approval by the Parish Council.</p>
Order/Tender controls	<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.
Payment controls	<ul style="list-style-type: none"> • Purchase orders/emails/letters ordering the work are matched to purchase invoices where applicable. • Payments will be listed in the cash book in date order paid. • Payments made are listed in the minutes of the meeting. Original invoices are available to the Councillors authorising payment. • Cheques, where used, will be signed by two councillors, who are authorised to sign as shown on the council's bank mandate. • The Council has a BACS system in place. The RFO is authorised to set up BACS payments online. • The RFO is authorised to transfer funds internally i.e. from one of the Council's accounts to another. • 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. • When invoices are paid by BACS, they are cross checked with the bank statements. • The minute number of the minute authorising bank payments or cheques is detailed on each invoice.
Legal Powers	<p>A proper legal power is identified in advance of any expenditure. The Council holds the General Power of Competence.</p>
VAT Repayment Claims (VAT126)	<ul style="list-style-type: none"> • RFO ensures compliance with VAT notice 749 • RFO ensures that all invoices are addressed to the Parish Council. • RFO ensures that proper VAT invoices are received where VAT is payable. • RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year and submits a claim for repayment bi-annually if required online through HMRC.
Income controls	<ul style="list-style-type: none"> • RFO ensures that amount of the precept received is in accordance with the precept request sent to the District Council. • RFO ensures that the precept instalments are received when due. • RFO ensures that other receipts (deposit interest) are received when due and correctly calculated. • Receipts are recorded on the cash book / spreadsheet when received.

Financial reporting	A Budget control, comparing actual receipts and payments to the budget and the previous year is prepared on at least a bi-monthly basis, presented to the Parish Council meeting and minuted.
Budgetary controls	<ul style="list-style-type: none"> • The budget is approved by the Parish Council before the end of the financial year preceding the year to which it relates. • The precept amount is identified following approval of the budget; the precept demand is issued to the billing authority by the date stipulated by the billing authority and in any case before 1st March at the latest.
Payroll controls	<ul style="list-style-type: none"> • The Clerk is an employee and the RFO - he/she must register the Council with HMRC online; the Council, via RFO is responsible for reporting PAYE & NI monthly. • The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary. • The salary is paid by BACS or cheque. • The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done. • The RFO will act for the Parish Council regarding Pension duties.
Office and clerk's expenses	<ul style="list-style-type: none"> • The clerk submits an invoice for reimbursement of monies owing by way of an expense account, in advance of each meeting • The expenses cover a contribution towards the cost of maintaining an office at the clerk's home and any out of pocket expenses as well as motoring expenses, as laid down by joint SLCC/NALC guidelines and HMRC. • Expenses are paid by BACS/Cheque and the expense sheet treated as an invoice for accounting purposes
Asset Control	<ul style="list-style-type: none"> • The RFO maintains a full asset register • The existence and condition of assets is checked on a six-monthly basis by a the Parish Council • The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal.