

ITCHEN STOKE & OVINGTON PARISH COUNCIL
STATEMENT OF INTERNAL FINANCIAL CONTROLS

Itchen Stoke & Ovington Parish Council is a local authority funded by public money and is responsible for ensuring its financial business is conducted in accordance with current legislation and governing guidelines. The Council's assets (money) are to be safeguarded, properly accounted for and used economically, efficiently and effectively.

In discharging this overall responsibility the Council is also responsible for ensuring that there is a sound system of internal financial control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The purpose of the Council's Internal Financial Controls is to manage risk to a reasonable level, but cannot provide an absolute assurance of effectiveness.

The system of Internal Financial Control accords with the practices set out in the Governance and Accountability in Local Councils: A Practitioners' Guide (2017 edition) and the Council and its Members are required to review at least annually the effectiveness of its system of financial control.

The Council acknowledges that, wherever possible, separation of duties is key to managing risk and follows the following procedures and working practices:

Responsibility:

1. The Clerk is the Responsible Financial Officer (RFO), a statutory role and is responsible for administering the Council's day to day financial affairs in accordance with all current Acts of Law, Regulations and proper practices.
2. The Council Members are responsible for overseeing the Council's financial affairs and procedures and monitoring the Council's expenditure, budget/forecast, including: - financial management reports to compare spend against forecast income, bank balances and reserves, and all payments for approval.
3. An external organisation of accountants audits the book keeping annually.
4. Income is paid into the bank as soon as practicable and the payment is recorded in the cashbook.
5. An order for work or purchase over the value of £100.00 must be requested in writing.
6. Payments are arranged by cheque, direct debit or BACS. There are four signatories that are authorised to sign cheques and authorise BACS payments and any two signatories are required to sign or authorise each transaction and must be

countersigned by the Clerk. It is reminded to all signatories that they should not sign cheques or authorise payments unless they are correctly completed and the payee and the amount are absolutely clear and with supporting documentation. Signatories are required to initial the invoices and initial the cheque stubs if paying by cheque.

7. Bank reconciliations are completed quarterly, with each one being reviewed and signed, including the bank statements, by the Chairman. The Chairman and RFO will review the bank statements, payments, income and forecast expenditure quarterly.

8. Approved receipt and payment schedules are appended to the minutes of the meetings and are presented to the Council in number/date order.

9. Payments will not be made without an invoice and sufficient evidence of work undertaken or services provided. (i.e delivery note or timesheet.)

10. Salaries; the Council currently has one employee and HMRC Basic PAYE Tools is used to report Real Time Information (RTI) for PAYE.

11. Purchase and investment transactions will require two signatures and are subject to prior approval by the majority of Members at a quarterly meeting of the Council.

12. A financial risk assessment is completed and reviewed annually. (Risk Assessment Attached).

AMMENDED DATE 8th September 2021

**Produced by Lorraine Wheeler
Clerk and RFO to Itchen Stoke & Ovington Parish Council**