

REEPHAM TOWN COUNCIL

FINANCE

INTERNAL CONTROL POLICY

Responsibility

The Audit and Accounts Regulations 2015 state that a Council shall be responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for risk management.

Purpose

Internal control is designed to reduce financial risk to the Council, ensuring activities are carried out properly and as intended. Controls include routine checking of financial procedures, examination of financial comparisons, recording of assets and liabilities, identification of risk and effective management of said risks.

Controls

The Council approves budgets in December and agrees the level of Precept.

Councillors receive details of income/expenditure against budget monthly.

Two Councillors must sign cheques/internet banking payment sheets and initial the invoice ensuring the amount and the payee agree with the invoice.

Payments for approval are authorised by a resolution at each meeting.

The Responsible Finance Officer (RFO) is responsible for administering the Council's finance in compliance with laws and regulations.

The RFO ensures financial procedures, control systems and policies are maintained.

The RFO submits all requested information to the Internal Auditor and to the External Auditor by the required date and arranges for the public notices to be displayed.

The RFO retains all relevant documents (Annual Return, VAT Return, PAYE information, Asset Register and supporting information).

Internal Checks

A nominated Councillor will carry out routine checks on income/expenditure against invoices, bank accounts, cheque book stubs, minutes and paying in book. Monthly checks will also be carried out on payroll and petty cash. The checks will be noted in a record book.

Internal Auditor

An independent Internal Auditor (IA) is appointed by the Council, with the appointment being minuted. The IA should be advised of the scope of the work and inspect the accounts at the year end prior to the completion of the Annual Return pages 2 & 3. A report from the IA is an agenda item with any report or recommendation being minuted.

External Auditor

The External Auditor is PKF Littlejohn LLP, appointed by the Smaller Authorities Audit Appointments Ltd (SAAA) to audit the accounts annually and submit a report to the Council. Any issues raised by the External Auditors report should be reported to Council and actioned.

Review of Effectiveness

The Council should review annually the effectiveness of Internal Controls and the effectiveness of the Internal Auditor.

Adopted: February 2016 – Minute TC16/28

Reviewed 8th March 2017

Reviewed 14th March 2018

Reviewed 10th July 2019

Reviewed 17th September 2020

Reviewed 9th February 2022