



## HACKLETON PARISH COUNCIL INTERNAL CONTROL PROCEDURE

The Responsible Financial Officer (RFO) is responsible for ensuring that the Council's day-to-day finances are run properly, but it falls to Council members to exercise a proper and reasonable degree of control over financial matters. The Council will appoint an Internal Control Councillor annually at the Annual Parish Council Meeting – not the Chairman and not a bank signatory.

Hackleton Parish Council carries out the following ongoing internal control procedures:

1. The Clerk/RFO will forward a bank reconciliation, financial review (budget versus receipts and payments record), & a list of invoices for payment for consideration & approval to Full Council Meetings. Bank statements are available for viewing at all Full Council meetings.
2. All invoices to be paid will be checked for accuracy by the RFO and then forwarded to the Internal Control Councillor for verification prior to each monthly meeting.
3. Payments where possible are made by BACS. The Clerk uploads the payment details as administrator only. Two councillors are required to authorise the payments via BACS. Payments will not be made until authorised by full Council.
4. Any cheques are signed by two Councillors following formal approval by the Council of the payment of invoices. The Clerk is not a signatory and keeps the chequebook.
5. The full council reviews the documents listed above at every meeting and approves payment.
6. The Internal Control Councillor carries out detailed checks quarterly to include (but not limited to):
  - Receipts & Payments,
  - Bank reconciliation
  - Invoices
  - Payroll
  - All anticipated income is received – variances are explained adequately.
  - Expenditure is broadly in line with budgets – variances are explained adequately.
  - VAT is reclaimed at least annually and included in bank reconciliations for noting by Councillors when received.
  - Review budget requirements / precept request for the following year and report to Council.

- Any financial anomalies are resolved with the Clerk with Full Council approval e.g. virements.
7. The Council does not keep any cash.
  8. Financial Regulations and Risk Assessments are reviewed annually and updated, as required.
  9. The Council uses the Internal Audit Service (IAS) of Northants County Association of Local Councils' (NCALC) Independent Audit Service who checks, by sampling, that the Council's financial and governance internal controls are adequate and working effectively. The IAS visits at least once per year and the Audit Report forms part of the Annual Return.
  10. The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review is informed by the work of:
    - The Council
    - The RFO
    - The Internal Control Councillors
    - The Internal & External Auditors