

FC Minutes 272

**Kedington Parish Council
FINANCE COMMITTEE – 1st March 2022**

Present: Councillor Ann Naylor
Councillor Terence Wheeler
Councillor Lynda Woodward

In attendance: Mr John Boxall (Clerk)
Councillor Ross Standeven
Councillor Jeffery Potter

1 Welcome and Apologies

The Chair welcomed everyone present.
Apologies accepted for Cllr Wilsher who cannot attend for personal reasons.
It was agreed that Cllr Naylor would Chair this final Finance Committee meeting in the absence of Cllr Wilsher.

ACTION

2 To receive members' Declarations of Interest on agenda items in accordance with the Suffolk Code of Conduct (and section 106 of the LGFA 1992) and to receive any member's requests for Dispensations

None declared.

3 To agree as a true record the minutes of the Finance Committee meeting held on Tuesday 8th February 2022

A resolution was put forward by Cllr Wheeler and seconded by Cllr Woodward to agree the minutes of the meeting as a true record. There were no other resolutions; unanimously agreed. Cllr Naylor duly signed the minutes.

4 Financial Statements: Receive budget statements and any other financial reports; consider action:

4.1 Receive budget statements effective to date.
Cllr Wheeler suggested that as the Finance Committee meeting is becoming part of the Parish Council meeting, the Bank Reconciliation form should now be signed by the Clerk/Responsible Financial Officer and the Chair of the Parish Council prior to each Parish Council meeting. This was agreed as was it being done by electronic signature following email confirmation.

Clerk

4.2 Regular payments; approve for financial year 2022/2023.
Regular payments for the financial year commencing on 1st April 2022 were agreed under a resolution put forward by Cllr Wheeler and seconded by Cllr Naylor. There were no other resolutions; unanimously agreed. The regular payments list is attached to these minutes at ANNEX A.

ANNEX A

4.3 Asset Register; review and agree.
Cllr Naylor advised that the Asset Register is now recorded on the Scribe accounting system and can be downloaded as a pdf document and it was this document that was emailed to Councillors prior to this meeting.

- Cllr Wheeler suggested and it was agreed that the entry on page 1 concerning "400 litre bins with part shovel" should identify how many bins we have. Clerk

Cllr Wheeler suggested and it was agreed that the entry on page 3 concerning "Skate ramps with flat box" should be amended to "Skate ramps" as the flat box has been removed. Clerk

Cllr Wheeler suggested and it was agreed that the entry on page 3 concerning "Tarpaulin" should be deleted as the tarpaulin has been disposed of. Clerk
- 4.4 Financial (Management) Risk Assessment; review and agree. ANNEX B
 This document was agreed under a resolution put forward by Cllr Wheeler and seconded by Cllr Naylor. There were no other resolutions; unanimously agreed. Attached to these minutes as ANNEX B. For yearly review.
- 4.5 Financial Regulations; review and agree. Clerk
 Cllr Naylor advised that this document has been amended to remove references to an Accountant and replace with Clerk/Responsible Officer and to remove references to Finance Committee.
 Following a discussion regarding paragraph 4.5, a resolution was put forward by Cllr Wheeler and seconded by Cllr Woodward that the amount the Clerk/Responsible Financial Officer can authorise in cases of extreme risk to the delivery of Council services is to be increased to a limit of £1,000. There were no other resolutions; unanimously agreed.
 Following a discussion regarding paragraph 2.2, wording to remain as it is.
 Following a discussion regarding paragraph 4.1, wording to remain as it is.
 Following a discussion regarding paragraphs 4.2 and 4.3, wording to remain as it is.
 Following a discussion regarding paragraph 5.4 c), wording to remain as it is.
 Following a discussion regarding paragraph 9.8, this should be split into a second paragraph 9.9 and the following paragraphs numbered sequentially. Clerk
 This document was agreed under a resolution put forward by Cllr Wheeler and seconded by Cllr Woodward. There were no other resolutions; unanimously agreed. Attached to these minutes as ANNEX C. For yearly review. ANNEX C
- 4.6 Effectiveness of Internal Control/Management of Risk and Internal Audit in accordance with The Accounts and Audit (England) Regulations 2015/234; review and agree. ANNEX D
 Following a discussion regarding the paragraph titled "External Audit" on page 10, it was agreed to delete the last sentence of this paragraph.
 This document was agreed under a resolution put forward by Cllr Wheeler and seconded by Cllr Woodward. There were no other resolutions; unanimously agreed. Attached to these minutes as ANNEX D. For yearly review.
- 4.7 Fidelity guarantee insurance; review level of cover for financial year 2022/2023. Clerk
 Level of fidelity guarantee insurance cover reviewed. Taking into account the precept for 2022/2023 (£81,570) and current reserves (£66,522.71), a resolution was put forward by Cllr Naylor and seconded by Cllr Woodward that the fidelity guarantee for 2022/2023 should remain at £150,000.00. There were no other resolutions; unanimously agreed.
- 5 Clerk's Report: Discuss and agree action on Clerk's Report and correspondence received**

 - 5.1 Internal Auditor. Clerk
 Clerk advised that Trevor Brown will be conducting the internal audit on the 6th May 2022
- 6 Street Furniture: Any other street furniture matter**

 - 6.1 Street Furniture Condition report. Clerk
 Cllr Wheeler advised he's not had time to complete it yet and will try to do so by the next Parish Council meeting

The meeting closed at 8:20 p.m.

Signed AENaylor Date.....22nd March 2022.....

ANNEX A

KEDINGTON PARISH COUNCIL

REGULAR PAYMENTS @ 1st March 2022 FC 272

FINANCIAL YEAR 01 APRIL 2022 – 31 MARCH 2023

1. Clerk's monthly salary
2. Village Cleaner's monthly salary
3. One Com (telephone and broadband paid by Direct Debit)
4. Information Commissioner's Office (Registration fee paid by Direct Debit)
5. Kedington Community Association (electricity)
6. West Suffolk Council (weekly emptying of dog and litter bins)
7. Pest Control Services (mole eradication contract)
8. Protect & Detect (servicing of fire extinguishers in Parish Council Office)
9. Zoom
10. MD Landscapes (grass cutting contract)
11. RMS Tree Services (strimming contract)
12. HMRC (PAYE and National Insurance)
13. Suffolk Cloud (website)
14. Scribe (yearly subscription)
15. Dropbox (yearly subscription)
16. TalkTalk (email)
17. Came and Company (Employers Liability Insurance)
18. Royal British Legion (hall hire)
19. Ana Lopes (office clean)

ANNEX B

KEDINGTON PARISH COUNCIL

FINANCIAL (MANAGEMENT) RISK ASSESSMENT

Management	Risk(s) Identified	Person(s) in danger	Risk H – (High)	Risk M – (Medium)	Risk L – (Low)	Management of Risk
Financial	Inadequate financial control and records	Parish Council	-	-	L	Financial Regulations / Standing Orders. Understanding of Governance & Accountability Regulations. Clerk / RFO to ensure regular checks are carried out. Internal Control Internal Audit
	Loss of records	Parish Council	-	-	L	All records backed up to 'dropbox' cloud.
	Access to bank records	Parish Council	-	-	L	Controls in place for access to bank accounts.
	Transfer between bank accounts	Parish Council	-	-	L	Transfer agreed and minuted.
Staff	Loss of key personnel, i.e. Clerk / RFO Hours, health, stress, long term sickness	Staff	-	-	L	Staff appraisals; Performance Development Reviews for Clerk / Responsible Financial Officer. Locum Clerk - SALC

Management	Risk(s) Identified	Person(s) in danger	Risk H – (High)	Risk M – (Medium)	Risk L – (Low)	Management of Risk
Precept	Not submitted	Parish	-	-	L	Precept agreed and minuted by full Parish Council. Submitted by agreed date.
Precept	Not paid by District Council	Parish	-	-	L	RFO to follow up if precept not paid by end of April. Check and report to Parish Council.
Precept	Adequacy of Precept	Parish	-	-	L	Monthly review of budget and precept setting meeting to decide adequacy of precept. Budget process allows comparisons with previous, current and future years. General Reserves held by Parish Council agreed to be to cover three months of contracted expenditure.
Reserves General & Earmarked	Adequacy	Parish	-	-	L	Level of reserves to be considered at budget setting and agreed.
	Maintenance	Parish Council	-	-	L	Known reserves ring-fenced and referenced.
	Movement	Parish Council	-	-	L	Movement of reserves by resolution of full Council.

Management	Risk(s) Identified	Person(s) in danger	Risk H - High	Risk M - Medium	Risk L - Low	Management of Risk
Salaries	Wrong salary paid Wrong hours paid Wrong hourly rate paid	Parish Clerk Village Cleaner	-	-	L	Salaries agreed by Parish Council. RFO/Clerk checks time sheets and calculates monthly salary. Account signatory checks same before payments authorised.
	Wrong deductions – N.I. Wrong deductions - Tax	Parish Clerk Village Cleaner	-	-	L	RFO/Clerk will check PAYE calculations and contact H M Revenue & Customs if necessary.
Assets	Loss, damage, etc.	Parishioners	-	M	-	Annual inspection; update insurance and Asset Register.
	Risk of damage to third party property or individuals		-	M	-	Review adequacy of Public Liability Insurance yearly.
Maintenance	Poor performance of assets or amenities	Parish	-	-	L	Monthly and Annual maintenance inspections of play equipment. Street Furniture Condition Report.

Management	Risk(s) Identified	Person(s) in danger	Risk H - High	Risk M - Medium	Risk L - Low	Management of Risk
Insurance	Adequate level of cover	Parish Council	-	-	L	Insurance renewed and reviewed annually with adequate level of fidelity guarantee
	Not under insured	Parish Council	-	-	L	
	Consequential loss due to critical damage or third party performance	Parish Council	-	-	L	Insurance cover, review adequacy
Litigation	Cash – loss through fraud, theft or dishonesty of staff	Parish Council	-	-	L	Ensure adequacy of fidelity guarantee insurance
	Potential risk of legal action being taken against council	Parish Council	-	-	L	Insurance is adequate for requirements but there are still risks of other claims. Review
Legal Powers	Illegal activity or payment	Parish Council	-	-	L	Training for Clerk / RFO and Councillors. Educate Council as to their legal powers
Council Records	Access to records held on Council owned computer	Parish Council	-	-	L	Documents backed up to 'dropbox' cloud. Paper copy of access code given to Chair and Vice-Chair
Direct costs and overhead expenses	Goods not supplied Incorrect invoice Excessive payment Payment to wrong party	Parish Council	-	-	L	Clerk/RFO to check order
			-	-	L	Clerk/RFO to check invoice
			-	-	L	Account signatory checks same
			-	-	L	before payment authorised.

Management	Risk(s) Identified	Person(s) in danger	Risk H - High	Risk M - Medium	Risk L - Low	Management of Risk
Councillor Allowances	Councillors overpaid	Parish Council	-	-	L	Claim form checked by Clerk/RFO before payment is made
Governance	Standing Orders		-	-	L	New Standing Orders adopted in January 2021 and amended in March 2021. To be reviewed in May 2022 and annually thereafter.
	Financial Regulations	Parish Council	-	-	L	New Financial Regulations adopted in March 2022 and reviewed annually.
	General Data Protection Regulations		-	-	L	The Council is registered with the Information Commissioners Office. Annual subscription is paid by Direct Debit (Clerk to monitor). The Clerk will keep up to date with current legislation and inform Council of any changes.

Management	Risk(s) Identified	Person(s) in danger	Risk H - High	Risk M - Medium	Risk L - Low	Management of Risk
	Power to pay	Parish Council	-	-	L	Minute power and show in separate heading on finance statements.
Grants	Agreement of Council to pay	Parish Council	-	-	L	Each application has to be granted by resolution and minuted.
	Conditions agreed	Parish Council	-	-	L	Grants Policy implemented in 2021. To be reviewed annually.
VAT	VAT reclaim is actioned by Clerk/RFO on a three monthly basis	Parish Council	-	-	L	VAT reclaimed in line with cashbook entries by Clerk/RFO.
Agendas/Meetings	Compliance with notice period and number of meetings required per annum in accordance with LGA 1972	Public and Parish Council	-	-	L	Forward Planning Agenda is produced in the prescribed manner by the Clerk and adheres to legal requirements and best practice guidelines in accordance with LGA 1972. Agenda is placed on website and all Notice Boards.

Management	Risk(s) Identified	Person(s) in danger	Risk H - High	Risk M - Medium	Risk L - Low	Management of Risk
Minutes/ Notices Statutory Documents	Compliance with notice period and number of meetings required per annum in accordance with LGA 1972 Minutes are accurate and legal and in accordance with LGA 1972	Parish Council	-	-	L	Minutes are reviewed and agreed as a true record at the next Parish Council meeting. Approved minutes and accompanying documents are put on Parish Council website. A hard copy of the minutes is available on request from the Parish Council Office. Statutory documents available on Parish Council website.
Members' Interests Code of Conduct	Conflict of interest and failure to declare Pecuniary or Non-Pecuniary Interest at meetings Breaching the Code of Conduct	Parish Councillors Parish Councillors	- -	M -	- L	Ensure Councillors are aware to update Register of Members' Interests where appropriate. Kedington Parish Council adopted the Suffolk Code of Conduct in June 2014.

Management	Risk(s) Identified	Person(s) in danger	Risk H - High	Risk M - Medium	Risk L - Low	Management of Risk
Council Records Paper / Electronic	Access to records held on Council owned computer and hard copies in locked cabinets Risk loss through theft, fire, computer hacking / corruption. Password loss	Parish Council	-	-	L	Kedington Parish Council electronic records are stored on the computer. Both desktop and laptop are password protected. Backup of files is undertaken at regular intervals using 'dropbox' cloud storage. Passwords are held by Chair and Vice-Chair in sealed envelope away from office. All documents are kept in locked cabinets and keys held by Clerk/RFO
Election Costs	Costs need to be verified with District Council in advance and included in budget in readiness	Parish Council	-	-	L	Liaison with District Council before Election year so amount can be budgeted for. Reserve fund should be set up to cover costs of a Parish Poll. Reserve fund to be reviewed after election term (4 years) or whenever depleted due to a Parish Poll.

Approved on (date): ?? March 2022 KPC ???-?? Agenda Item ???

Date of review: March 2023

ANNEX C

KEDINGTON PARISH COUNCIL

FINANCIAL REGULATIONS 2022

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These Financial Regulations were adopted by the council at its meeting held on [enter date].

1. General

1.1. These financial regulations govern the conduct of financial management by the council and may only be amended or varied by resolution of the council. Financial regulations are one of the council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the council's Standing Orders and any individual financial regulations relating to contracts.

1.2. The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council's functions, including arrangements for the management of risk.

1.3. The council's accounting control systems must include measures:

- for the timely production of accounts;

- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud; and
- identifying the duties of officers.

1.4. These financial regulations demonstrate how the council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the council must review the effectiveness of its system of internal control which shall be in accordance with proper practices. This should be before 31 March each year.

1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

1.7. Members of council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of councillor into disrepute.

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council. The Clerk has been appointed as Clerk/RFO for this council and these regulations will apply accordingly.

1.9. The Clerk/RFO:

- acts under the policy direction of the council;
- administers the council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the council up to date in accordance with proper practices;
- assists the council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the council.

1.10. The accounting records determined by the Clerk/RFO shall be sufficient to show and explain the council's transactions and to enable the Clerk/RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.

1.11. The accounting records determined by the Clerk/RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the council; and
- wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The accounting control systems determined by the Clerk/RFO shall include:

- procedures to ensure that the financial transactions of the council are recorded as soon as reasonably practicable and as accurately and reasonably as possible;

- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the council for approval to be written off except with the approval of the Clerk/RFO and that the approvals are shown in the accounting records; and
- measures to ensure that risk is properly managed.

1.13. The council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full council only.

1.14. In addition, the council must:

- determine and keep under regular review the bank mandate for all council bank accounts;
- approve any grant or a single commitment in excess of £500; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.15 In these financial regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability for Local Councils – a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. Accounting and audit (internal and external)

2.1. All accounting procedures and financial records of the council shall be determined by the Clerk/RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.

2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chair or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the Clerk/RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported within the internal control documents, including any exceptions to, and noted by the council.

2.3. The Clerk/RFO shall complete the annual statement of accounts, annual report, and any related documents of the council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the council within the timescales set by the Accounts and Audit Regulations.

2.4. The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the council shall make available such documents and records as appear to the council to be necessary for the purpose of the audit and shall, as directed by the council, supply the Clerk/RFO, internal auditor, or external auditor with such information and explanation as the council considers necessary for that purpose.

2.5. The internal auditor shall be appointed by Kedington Parish Council and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.

2.6. The internal auditor shall:

- be competent and independent of the financial operations of the council;
- report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
- to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- has no involvement in the financial decision making, management or control of the council

2.7. Internal or external auditors may not under any circumstances:

- perform any operational duties for the council;
- initiate or approve accounting transactions; or
- direct the activities of any council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The Clerk/RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.

2.10. The Clerk/RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

3. Annual estimates (budget) and forward planning

3.1. The Clerk/RFO must each year, by no later than NOVEMBER prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.

3.2. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

3.3. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The Clerk/RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

3.4. The approved annual budget shall form the basis of financial control for the ensuing year.

4. Budgetary control and authority to spend

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- full council for all items over £500;
- a duly delegated committee of the council for items up to £500; or
- the Clerk/RFO, in conjunction with Chair of Council or Chair of the appropriate committee, for items up to £500.

Such authority is to be evidenced by a minute or an electronic communication.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.

4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and then ratified by full council and noted in the minutes. The Clerk/RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.5. In cases of extreme risk to the delivery of council services, the Clerk/RFO may authorise revenue expenditure on behalf of the council which in the Clerk/RFO's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. The Clerk/RFO shall report such action to the Chair as soon as possible and to the council as soon as practicable thereafter.

4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the council is satisfied that the necessary funds are available and the requisite borrowing approval has been obtained.

4.7. All capital works shall be administered in accordance with the council's standing orders and financial regulations relating to contracts.

4.8. The Clerk/RFO shall regularly provide the council with a statement of receipts and payments to date under each heading of the budget.

4.9. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. Banking arrangements and authorisation of payments

5.1. The council's banking arrangements, including the bank mandate, shall be made by the Clerk/RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.

5.2. All invoices for payment shall be examined, verified and certified by the Clerk/RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.

5.3. The Clerk/RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Clerk/RFO shall take all steps to pay all invoices submitted expeditiously.

5.4. The Clerk/RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled meeting of council, where the Clerk/RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting; or
- b) An expenditure item authorised under 5.5 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of full council; or

c) Fund transfers within the councils banking arrangements up to the sum of £2000, provided that a list of such payments shall be submitted to the next appropriate meeting of the full council.

5.5. For each financial year the Clerk/RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively, Salaries, PAYE and NI, Superannuation Fund) and regular maintenance contracts and the like for which council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.

5.6. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.

5.7. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

5.8. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.

5.9. Any changes in the recorded details of suppliers, such as bank account records, shall be approved by the Clerk/RFO in writing or electronic communication.

6. Instructions for the making of payments

6.1. The council will make safe and efficient arrangements for the making of its payments.

6.2. Following authorisation under Financial Regulation 5 above, the council or, if so delegated, the Clerk/RFO shall give instruction that a payment shall be made.

6.3. All payments shall be effected by internet banking transfer, cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.

6.4. Cheques for payment drawn on the bank account shall be signed by two members of the council in accordance with a resolution instructing that payment. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

6.5. To indicate agreement of the details shown on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

6.6. Cheques for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.

6.7. If thought appropriate by the council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.

6.8. If thought appropriate by the council, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two members, are retained and any payments are

reported to council as made. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.

6.9. If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.

6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.

6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chair of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

6.12. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.

6.13. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.

6.14. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

6.15. Where internet banking arrangements are made with any bank, the Clerk /RFO shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

6.16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites") and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.

6.17. Changes to account details for suppliers, which are used for internet banking may only be changed in writing on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk/RFO or by electronic communication. A programme of regular checks of standing data with suppliers will be followed.

6.18. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk/RFO and shall be subject to automatic payment in full at each month-end.

6.19. The council will not maintain any form of cash float. All cash received must be banked intact.

6.20. Any payments made in cash by the Clerk/RFO shall be refunded on a regular basis, at least quarterly.

7. Payment of salaries

7.1. As an employer, the council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by council, or duly delegated committee.

7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available council meeting, as set out in these regulations above.

7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without agreement by full council.

7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any councillor who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.

7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

7.6. An effective system of personal performance management should be maintained for the senior officers.

7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.

7.8. Before employing interim staff, the council must consider a full business case.

8. Loans and investments

8.1. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.

8.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chair of the council at the same time as one is issued to the Clerk/RFO.

8.4. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.

8.5. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Investment Strategy and Policy shall be reviewed by the council at least annually.

8.6. All investments of money under the control of the council shall be in the name of the council.

8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk/RFO.

8.8. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

9. Income

9.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the Clerk/RFO.

9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the Clerk/RFO and the Clerk/RFO shall be responsible for the collection of all accounts due to the council.

9.3. The council will review all fees and charges at least annually, following a report of the Clerk/RFO.

9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the council and shall be written off in the year.

9.5. All sums received on behalf of the council shall be banked intact as directed by the Clerk/RFO. In all cases, all receipts shall be deposited with the council's bankers with such frequency as the Clerk/RFO considers necessary.

9.6. The origin of each receipt shall be entered on the paying-in slip.

9.7. Personal cheques shall not be cashed out of money held on behalf of the council.

9.8. The Clerk/RFO shall promptly complete any VAT Return that is required.

9.9. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

9.10. Where any significant sums of cash are regularly received by the council, the Clerk/RFO shall take such steps as are agreed by the council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

9.11. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any council meeting (see also Regulation 16 below).

10. Orders for work, goods and services

10.1. An official order or letter or electronic communication shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

10.2. Order books shall be controlled by the RFO.

10.3. All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below.

10.4. A member may not issue an official order or make any contract on behalf of the council.

10.5. The Clerk/RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the Clerk/RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. Contracts

11.1. Procedures as to contracts are laid down as follows:

a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:

i. for the supply of gas, electricity, water, sewerage and telephone services;

ii. for specialist services such as are provided by legal professionals acting in disputes;

iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;

iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;

v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk/RFO shall act after consultation with the Chair and Vice Chair of council); and

vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

- b) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations.
- c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)³.
- d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- e) Such invitation to tender shall state the general nature of the intended contract and the Clerk/RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk/RFO in the ordinary course of post or by electronic communication. If appropriate, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk/RFO in the presence of at least one member of council.
- g) Any invitation to tender issued under this regulation shall be subject to Standing Orders 18 and shall refer to the terms of the Bribery Act 2010.
- h) When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk/RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5000 and above £1000 the Clerk/RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- i) The council shall not be obliged to accept the lowest of any tender, quote or estimate.
- j) Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts ³ 3 Thresholds currently applicable are:

a) For public supply and public service contracts £189,330

b) For public works contracts £4,733,252

Based on NALC's model standing order 18d in Local Councils Explained © 2013 National Association of Local Councils

12. Payments under contracts for building or other construction works

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the Clerk/RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

12.2. Where contracts provide for payment by instalments the Clerk/RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the council.

12.3. Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk/RFO to the contractor in writing or electronic communication, the council being informed where the final cost is likely to exceed the financial provision.

13. Stores and equipment

13.1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.

13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.

13.4. The Clerk/RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. Assets, properties and estates

14.1. The Clerk/RFO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the council. The Clerk/RFO shall ensure a record is maintained of all properties held by the council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.

14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.

14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing shall be provided to council in respect of valuation

and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full council. In each case a report in writing shall be provided to council with a full business case.

14.6. The Clerk/RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

15. Insurance

15.1. Following the annual risk assessment (per Regulation 17), the Clerk/RFO shall effect all insurances and negotiate all claims on the council's insurers.

15.2. The Clerk/RFO shall give prompt notification to the council of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

15.3. The Clerk/RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

15.4. The Clerk/RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to council at the next available meeting.

15.5. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.

16. Charities

16.1. Where the council is sole managing trustee of a charitable body the Clerk/RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk/RFO shall arrange for any audit or independent examination as may be required by Charity Law or any Governing Document.

17. Risk management

17.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk/RFO and dedicated responsible Councillor shall prepare, for approval by the council, risk management policy statements in respect of all activities

of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.

17.2. When considering any new activity, the Clerk/RFO and dedicated responsible Councillor shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

18. Suspension and revision of Financial Regulations

18.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Clerk/RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.

18.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.

ANNEX D

KEDINGTON PARISH COUNCIL

YEAR END 31 MARCH 2022

REVIEW AND AGREE EFFECTIVENESS OF INTERNAL CONTROL/MANAGEMENT OF RISK AND INTERNAL AUDIT IN ACCORDANCE WITH THE ACCOUNTS AND AUDIT REGULATIONS 2015

Legislative Background

The Accounts and Audit Regulations 2015. These regulations (Statutory Instrument 2015 No. 234, Local Government, England and Wales) apply to all relevant authorities and were laid before Parliament on 17 February 2015 and brought into force on 01 April 2015. The Secretary of State made the Regulations in exercise of the powers conferred by sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014 (a). Accounts and Audit (Amendment) Regulations 2016 SI 2016/0065 were approved by Tynwald on 15 March 2016 and came into operation on 1 April 2016.

Provisions

Part 1 of the regulations – Introductory

1. *Citation, commencement and application*
2. *Interpretation*

Part 2 of the regulations –Internal Control:

3. *Responsibility for internal control*

A relevant authority must ensure that it has a sound system of internal control which-

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.

4. *Accounting records and control systems*

(1) Subject to paragraphs (3) and (4), and, in so far as they are not in conflict with those paragraphs, to any instructions given by a relevant authority to its responsible financial officer, that officer must determine, on behalf of the authority-

- (a) the form of its accounting records and supporting records; and
- (b) its financial control systems.

(2) The Responsible Financial Officer for a relevant authority must ensure on behalf of that

authority that the financial control systems determined by that officer in accordance with subparagraph (1)(b) are observed and that the accounting records of the authority are kept up to date.

- (3) The accounting records must, in particular, contain-
 - (a) entries from day to day of all sums of money received and expended by the authority and the matters to which its income and expenditure or receipts and payments relate; and
 - (b) a record of the assets and liabilities of the authority.
- (4) The financial control systems determined in accordance with paragraph (1)(b) must include
 - (a) measures-
 - (i) to ensure that the financial transactions of the authority are recorded as soon as, and as accurately as, reasonably practicable;
 - (ii) to enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records; and
 - (iii) to ensure that risk is appropriately managed;
 - (b) identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers.

5. Internal audit

(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

- (2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit-
 - (a) make available such documents and records; and
 - (b) supply such information and explanations; as are considered necessary by those conducting the internal audit.
- (3) In this regulation “documents and records” includes information recorded in an electronic form.

6. Review of internal control system

- (1) A relevant authority must, each financial year-
 - (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an annual governance statement;
- (2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must-
 - (a) consider the findings of the review required by paragraph (1)(a)—
 - (i) by a committee; or
 - (ii) by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of
 - (i) a committee; or
 - (ii) members of the authority meeting as a whole.
- (3) If the relevant authority referred to in paragraph (1) is a Category 2 authority, following the review it must-
 - (a) consider the findings of the review by members of the authority meeting as a whole; and

(b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of members of the authority meeting as a whole.

(4) The annual governance statement, referred to in paragraph (1)(b) must be—

- (a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and
- (b) prepared in accordance with proper practices in relation to accounts(a).

Part 4 of the regulations - Published Accounts & Audit – Category 2 Authorities

Statement of accounts for Category 2 authorities

11.— (1) A category 2 authority must ensure that the statement of accounts required by section 3(3) of the Act is prepared in accordance with these Regulations.

(2) Subject to paragraph (3), a statement of accounts prepared by a Category 2 authority under section 3(3) of the Act must take the form of—

- (a) an income and expenditure account; and
- (b) a statement of balances,

prepared in accordance with, and in the form specified in any annual return required by, proper practices in relation to accounts.

(3) Where, in relation to a Category 2 authority and a financial year, the gross income or expenditure (whichever is higher) is not more than £200,000 for that financial year or for either of the two immediately preceding financial years, the statement of accounts may, instead of complying with paragraph (2), take the form of a record of receipts and payments of the authority in relation to that financial year.

(4) A record prepared in accordance with paragraph (3) must be prepared in accordance with, and in the form specified in any annual return required by, proper practices in relation to accounts.

Internal control:

Kedington Parish Council as a whole is responsible for ensuring its financial management is adequate and effective and that a sound system of internal control is in place which facilitates the effective exercise of the Parish Council's functions.

Kedington Parish Council maintains an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

Parish Council Procedures <i>Safe and Efficient Arrangements to Safeguard Public Money</i>	Review systems of internal control

<p>Part 2 The Accounts and Audit Regulations 2015 Internal Control</p> <p>Part 4 of the regulations - Published Accounts & Audit – Category 2 Authorities</p>	<p>Yearly review to agree effectiveness of Internal Control/Management of Risk and Internal Audit in accordance with current Accounts and Audit Regulations is carried out before 31 March in each financial year and agreed by full Parish Council by resolution. Financial Management Risk Assessment is also reviewed annually.</p>
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<p>Parish Council Procedures</p> <p><i>Safe and Efficient Arrangements to Safeguard Public Money</i></p>	<p>Review systems of internal control</p>
<p>Kedington Parish Council's financial matters are dealt with at the full Council meeting. The boundary within which the Parish Council must act is laid down in its current Standing Orders and Financial Regulations</p>	<p>Internal control is provided using current Standing Orders and Financial Regulations which are reviewed yearly or when new legislation requires.</p> <p>Bank account signatories are reviewed regularly and any changes or new mandates are approved by the full Parish Council.</p>
<p>Kedington Parish Council has an appointed Responsible Financial Officer.</p>	<p>Responsible Financial Officer carries out duties as directed by the full Parish Council, evidence of which is shown in minutes.</p> <p>Responsible Financial Officer is an account signatory by virtue that the Banks will not impart information unless the Clerk/RFO is a signatory.</p>
<p>Payments, Orders and Contracts</p>	<p>Payment of accounts is done in accordance with Standing Orders / Financial Regulations.</p> <p>Petty Cash is exercised in accordance with current Financial Regulations.</p> <p>Orders are raised in accordance with current Financial Regulations / Standing Orders.</p> <p>Contracts (Tenders) are raised in accordance with current Financial Regulations / Standing Orders. Procurement of large contracts are carried out in accordance with Government Legislation.</p>
<p>Parish Council Procedures</p>	<p>Review systems of internal control</p>

<i>Safe and Efficient Arrangements to Safeguard Public Money</i>	
Kedington Parish Council Clerk/RFO maintains accurate monthly financial records, including income, expenditure, bank reconciliations, petty cash, budgets, assets, Liabilities and VAT.	Responsible Financial Officer presents up to date budget sheets at monthly meetings; these are distributed to all Councillors. All financial documents are put on Parish Council website www.kedington.suffolk.cloud
Banking procedures	<p>Repeal of S150 (5) of the Local Government Act 1972 was approved by Parliament in 2014 and a legislative reform order (LRO) was made for Councils to use Internet Banking.</p> <p>All payments shall be effected by internet banking transfer, cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.</p>
Kedington Parish Council Clerk/RFO deals with salaries, PAYE and VAT. Clerk/RFO prepares payment to Inland Revenue quarterly and VAT is reclaimed every three months.	Salary payments agree with Council approved amounts. Any pay rises are approved by full Parish Council. Responsible Financial Officer ensures PAYE payment to H M Revenue and Customs is made by due date. Clerk/RFO deals with VAT reclaim electronically. Pension obligations (if any) are met in accordance with Government Legislation.
Parish Council Procedures <i>Safe and Efficient Arrangements to Safeguard Public Money</i>	Review systems of internal control
Insurance - Kedington Parish Council has insurance cover obtained through a credited broker, which specialises in Parish Council Insurance.	Insurance Broker is specialist in Parish Council insurance and provides up to date information on the needs of the Parish Council and changes in the law (if any). Fidelity guarantee is reviewed yearly and clearly minuted as are any assets that need adding to the policy.
Kedington Parish Council has a meeting of the full Council to set Annual Budget / Precept.	Councillors are required to declare that they are not in arrears with Council Tax before meeting commences (s106, Local Government Finance Act 1992).

	<p>Annual Budget / Precept is ratified by full Parish Council before being sent to District Council. Setting budget/precept is included in Financial Management Risk Assessment. Precept amount is clearly minuted in Parish Council minutes.</p>
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<p>Standing Orders / Financial Regulations</p>	<p>Kedington Parish Council adopted Standing Orders and Financial Regulations in 2021. These will be reviewed annually or when new legislation requires.</p> <p>Kedington Parish Council acts in accordance with Governance and Accountability for Local Councils – A Practitioners’ Guide (England) and JEPG Governance and Accountability for Smaller Authorities in England – March 2019.</p>
<p>Asset Register</p>	<p>Asset Register is regularly updated when purchases or disposals are made. Asset Register is reviewed and agreed annually and this is clearly noted in the minutes. Street Furniture Condition Report is presented annually to the Parish Council and any maintenance work necessary is agreed and carried out, or sooner if required. This is clearly noted in the minutes.</p>
<p>Parish Council Procedures</p> <p><i>Safe and Efficient Arrangements to Safeguard Public Money</i></p>	<p>Review systems of internal control</p>
<p>Risk Assessments – Reviewed and agreed annually by full Parish Council.</p> <p>Risk Assessments updated following Covid-19 pandemic during 2020/21</p>	<p>Kedington Parish Council undertakes Financial Management Risk Assessment (in addition to other Risk Assessments) to ensure it delivers high quality public services to Parishioners and acts within the Law. Financial Management Risk Assessment current out in line with advice from Suffolk Association of Local Councils and National Association of Local Councils.</p> <p>Play equipment reports are received monthly from District Council who also provides an annual report and risk assessment. Play and outdoor gym equipment is regularly maintained. Other equipment is also regularly maintained and faults/defects are repaired as soon as possible.</p>
<p>Training</p>	<p>Kedington Parish Council has a training budget, which ensures Parish Clerk/RFO, Chairman and Councillors have appropriate training and knowledge to carry out their roles effectively.</p>

Internal audit:

Internal audit is a key component of the system of internal control and is undertaken by an outside body appointed by Kedington Parish Council. The Internal Auditor will review whether the systems of financial control and controls over the activities of the council are adequate, effective and in line with current regulations. Managing the risk of fraud and corruption is the responsibility of the Parish Council. The internal audit review should cover:

- Review of independence
- Review of competence
- Review of relationships with clerk and councillors
- Review of audit planning and reporting
- Review of audit scope

From 31 March 2011, the requirement to specifically minute an annual review of the effectiveness of internal audit was removed. However, the review should still be undertaken as part of the internal controls.

Parish Council Procedures	Effectiveness of Internal Audit
Kedington Parish Council's appointed Internal Auditor is an independent, fully qualified Auditor.	Independent Auditor carries out the Internal Audit so is unbiased and objective to the function of the Parish Council. Internal Auditor ensures Kedington Parish Council works within the regulated framework and is appointed on a yearly basis by approval of Parish Council.
Clerk/RFO ensures satisfactory timetable is in place in readiness for both Internal and External Audits.	Timetable and planning ensure all records are ready for the Internal Auditor (and External Auditors) within agreed timescale.
Accounts for Internal Audit	Internal Auditor reviews end of year accounts by means of accessing the online Scribe accounting system together with all relevant paperwork. Internal Auditor can compare these Standing Orders and Financial Regulations to ensure Kedington Parish Council is showing correct audit trail and complying with financial regulations.
Parish Council Clerk/RFO will ensure Review of the Effectiveness of Internal Audit is carried out and recorded before 31 March each year.	Full Parish Council approves this document and Internal Audit ensures this condition is complied with.
Parish Council Procedures	Effectiveness of Internal Audit

Proper book-keeping	Clerk/RFO will maintain accurate records of payments and receipts etc. and the Internal Auditor will be given read only access to Scribe accounting system.
VAT on payments	VAT on payments is identified and recorded by RFO. VAT is reclaimed electronically every three months from HM Revenue and Customs and noted in the minutes.
s137 expenditure	s137 expenditure is carried out in accordance with the Local Government Act 1972 and recorded separately on budget sheets; RFO keeps s137 expenditure within statutory limits.
Financial Regulations Standing Orders Payment Controls	Kedington Parish Council has an appointed Responsible Financial Officer. Internal Auditor can see minuted evidence that Standing Orders/ Financial Regulations and Internal Financial Controls are reviewed yearly and documented in minutes. A copy of Standing Orders and Financial Regulations are available to Internal Auditor. Internal Auditor can check that any recommendations from the previous year's Internal and External Audit have been reported to full Parish Council, carried out and complied with.
Budgetary controls	Internal Auditor can see evidence from Budget Setting Meeting and has sight of notes from the meeting and budget sheet for appropriate financial year. Internal Control measures show that budget is monitored monthly.

Parish Council Procedures	Effectiveness of Internal Audit
<p>Income controls</p> <p>Bank reconciliation</p>	<p>Evidence shown in minutes that precept and grant income is properly recorded and minuted.</p> <p>Responsible Financial Officer reconciles bank accounts on a monthly basis and this is presented to Councillors for checking.</p>
<p>Payroll controls</p>	<p>Internal Auditor has evidence that correct payments are being made for wages and salaries and this is well documented with copies of all relevant PAYE paperwork. Salaries are approved and recorded in the minutes of meetings.</p> <p>No increases in salaries are made without approval by full Parish Council. Full Parish Council normally agrees any increase to Parish Clerk's salary and the Clerk leaves the room while the matter is discussed.</p> <p>Employees have yearly appraisals.</p>
<p>Asset Register</p>	<p>Asset Register is reviewed annually and approved by full Parish Council.</p> <p>Asset Register clearly shows new additions and disposals.</p> <p>Internal Auditor can inspect Asset Register annually.</p>

Parish Council Procedures	Effectiveness of Internal Audit
Insurance (reviewed annually)	<p>Internal Auditor can inspect policy document and ensure appropriate cover and fidelity guarantee is in place and reviewed in accordance with financial regulations.</p> <p>Fidelity Guarantee is reviewed annually and reported to full Parish Council. Fidelity Insurance covers Precept and Reserves.</p> <p>RFO ensures new items of equipment are reported to Insurance Company to maintain adequate cover.</p>
Clerk/Responsible Financial Officer will present Internal Auditor's Report to full Parish Council. Any issues arising will be reported and measures put in place to rectify them, agreed by full Parish Council.	Internal Auditor presents report and recommendations to address any issues arising.

External Audit:

From 2017, External Auditor appointments passed to a new company, **Public Sector Audit Appointments Limited, who will also be responsible for setting fees.** This Company was set up on behalf of the Department for Communities and Local Government by the National Association of Local Councils (NALC), the Society of Local Council Clerks (SLCC) and the Association of Drainage Authorities (ADA). The National Audit Office will be responsible for issuing the Code of Audit Practice. External Auditors will undertake a review of the Annual Return which combines the accounting statements and the annual governance statement.

External Auditors meet their responsibilities by:

- Reviewing compliance with the requirements for the preparations of the accounts.
- Carrying out high-level review of financial and other information provided to them.
- Reviewing such additional information and explanation as is necessary to provide sufficient evidence that the audited body has maintained an adequate system of internal control and internal audit throughout the relevant financial year.
- Giving a limited review assurance opinion based on their findings in the Annual Return.
- Issue audit opinion – qualified or unqualified based on matters coming to their attention.
- Issue Public Interest Reports – where serious matters of non-compliance need to be brought to public attention.

External Audit	Parish Council Procedures
<p>External Auditors send Annual Governance and Accountability Return (AGARs) and guidance notes for completion. External Auditors provide notices for the appointment of date for the exercise of elector's rights (for relevant year).</p>	<p>Kedington Parish Council undertakes to approve Section 1 and Section 2 of the Annual Governance and Accountability Return (AGARs) in May each year. After review and approval Section 1 and Section 2 are signed at the Parish Council Meeting by the Chairman of the Parish Council and the Responsible Financial Officer. The AGAR is then sent to the External Auditor by required date each year. Approval of Annual Governance and Accountability Return (AGARs) is recorded in the minutes of the meeting where it is approved.</p> <p>Notices for the appointment of date for the exercise of elector's rights is posted on all village noticeboards within timescale and on Parish Council website: http://www.kedington.suffolk.cloud</p>
<p>When audit is complete Annual Governance and Accountability Return (AGAR) is sent back to Parish Council; this and any accompanying notes will be appended to the minutes of the meeting at which it is discussed as an agenda item.</p> <p>Notice of Conclusion of Audit is sent to Parish Council with Annual Governance and Accountability Return (AGAR).</p>	<p>Annual Governance and Accountability Return (AGAR) is posted on Parish Council website when returned from External Auditor.</p> <p>Any issues arising from the External Audit are discussed at full Parish Council and procedures put in place to rectify any issues.</p> <p>Notice of Conclusion of Audit are posted on all village noticeboards within timescale and Parish Council Website: http://www.kedington.suffolk.cloud</p>