

Heanor and Loscoe Town Council
Statement on Internal Controls 2022-2023

Heanor and Loscoe Town Council is a local authority, funded largely by public money, which is responsible for ensuring:

- . That its business is conducted in accordance with the law and proper standards
- . That public money is safeguarded and properly accounted for and is 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 control which facilitates the effective exercise of the Council's functions, and which includes arrangements for the management of risk.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed:

- . To identify and prioritise the risks to the achievement of the Council's policies, aims and Objectives.
- . To evaluate the likelihood of those risks being realised and the impact should they be realised.
- . To manage them efficiently, effectively, and economically.

The Internal Control Environment

The Council has adopted Financial Regulations which set out the parameters for the Council's financial operations, these are reviewed annually and more frequently if necessary. The Council has appointed a Responsible Financial Officer (RFO) who implements financial systems and controls.

The Council approves a budget for the following year, reviews Standing Orders, Financial Regulations, risk assessments and policies annually, or more frequently if required.

The Council meets monthly. It considers the monthly expenditure, income, bank reconciliation, and any relevant reports from the Executive Committee and the Town Clerk.

The Council has appointed an Executive committee. This committee meets regularly throughout the year. Minutes of this committee and any recommendations are circulated to and approved by council.

Payroll is contracted out to D M Payroll Services.

An independent internal audit service is provided by John Marriott, Accountant. Any issues raised by the Internal Auditor will be reported to the Council and action agreed.

Town Clerk/Responsible Financial Officer

The Town Council has appointed a Town Clerk, who acts as the Council's advisor and administrator. The Town Clerk is also the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Town Clerk is responsible for advising on the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Town Clerk also provides advice to help the Council ensure that its procedures, control systems and policies are adhered to.

Payments

All expenditure must be authorised by the Council at the monthly meetings. Accounts are paid primarily by BACS with some cheque payments. A report is presented to each Councillor at the meeting detailing every account paid with a brief description of the payment and amount to be paid.

Budget

In the autumn of each year Members are asked to consider the following Financial Year's budget, projects, schemes, running costs etc.

The Council agree the budget, and this is duly minuted. A copy of the agreed budget is distributed to all Members.

Expenditure is agreed in accordance with the budget remit and is duly recorded and minuted.

Contracts

The Council's Standing Orders and Financial Regulations set out the tender or quotation requirements for contracts of differing amounts.

Grants to Groups/Organisations

Requests for grants are considered in July and December of each year. In special circumstances the Council will consider the merits of granting a donation to a local group/organisation who request an award at other periods of the year.

VAT

All vat paid is entered onto the accounting system. A claim is made every six months to the Customs and Excise Office for VAT paid in the previous six months and all payments are directly credited to the Council's current account.

The claim shows a brief detail of the payment, VAT claimed and suppliers VAT registration number.

The accumulative total of VAT should balance with the VAT on the Council's computerised accounts, this provides a double check that the correct VAT is being claimed.

Staff Salary and Travel Expenses

Staff salary and wages are in line with the National Association of Local Councils and the National Joint Council for Local Government Services.

Pensions

Eligible staff are enrolled in the local government pension scheme.

Cash Handling

All cash is kept locked away until it can be banked and is dealt with in line with the Town Council's cash handling and transport risk assessment (G27).

Petty Cash

All petty cash receipts and payments are recorded in a file prior to being inputted onto the computerised accounts system.

Assets

The Clerk keeps details of all property owned by the Council in an Asset Register.

Insurance

Insurance is reviewed and renewed annually, or more frequently if required. Additional cover is taken for individual projects such as events and schemes, as necessary.

Risk Assessments/Policies and Procedures

The Town Council will report to the Executive Committee on the above. These are reviewed annually, or, more frequently if required.

End of Financial Year Accounts

As soon as the bank statements are received, up to and including 31 March transactions, the Clerk finalises the end of year Financial Accounts, The completed accounts are presented, at the earliest opportunity after 31 March, for approval by the Council.