

## BURNHAM TOWN COUNCIL STATEMENT OF INTERNAL CONTROLS

Financial Regulations	<ul style="list-style-type: none"> <li>• The council has adopted financial regulations which govern the conduct of its financial management.</li> <li>• Financial regulations may only be amended or varied by resolution of the Council.</li> <li>• Financial regulations must be observed alongside the council's standing orders and any individual regulations relating to contracts.</li> </ul>
Internet Banking	<ul style="list-style-type: none"> <li>• The Council has adopted an Internet Banking Policy.</li> <li>• The Internet Banking Policy may only be amended or varied by resolution of the Council.</li> <li>• The Internet Banking Policy must be observed alongside the council's Financial regulations.</li> <li>• Internet banking payments must be authorised by two cheque signatories.</li> </ul>
Financial Administration	<ul style="list-style-type: none"> <li>• The council has appointed an officer (the RFO) with responsibility for the administration of the council's financial affairs (section 151 of the LGA 1972) in accordance with statutory regulations and proper practices.</li> <li>• The council has Fidelity Guarantee insurance to indemnify against the loss of money or property sustained as a direct result of fraud, theft or dishonesty by an employee in the course of employment.</li> </ul>
Financial Records	<ul style="list-style-type: none"> <li>• The RIALTAS accounting software is used.</li> </ul>
Financial Reporting and Payments	<ul style="list-style-type: none"> <li>• A schedule of payments is submitted monthly to council for approval.</li> <li>• A schedule of actual spending against budget is submitted monthly to council.</li> <li>• A bank reconciliation is submitted monthly to council.</li> <li>• All expenditure must be authorised by a Resolution of the council and recorded in the minutes.</li> <li>• All expenditure must be supported by an invoice or voucher.</li> <li>• All cheques/BACS payments must be signed by two authorised signatories. They must ensure that cheques and BACS agree to the invoices presented for payment. Invoices and cheque stubs must be signed/initialled.</li> <li>• The cheque books are kept in a wall safe in the clerk's office. Officers of the council do not sign cheques.</li> </ul>
Income	<ul style="list-style-type: none"> <li>• Adequate controls are in place for the handling of large sums of cash.</li> <li>• Receipts are issued for income received.</li> <li>• Cash/cheques are banked promptly. Cash is banked intact.</li> <li>• Income is recorded onto RIALTAS on the day of receipt.</li> <li>• The RFO ensures that the Precept received is in accordance with the Precept request.</li> </ul>
Petty Cash	<ul style="list-style-type: none"> <li>• Payments must be supported by invoice/voucher and properly recorded. Petty cash is reconciled monthly.</li> </ul>
Payroll	<ul style="list-style-type: none"> <li>• HMRC basic payroll software is used.</li> <li>• The RFO ensures that PAYE/NIC is paid on time.</li> <li>• Cheque signatories must review the accuracy of salary payments monthly. Salaries are paid by BACS.</li> <li>• The council meets its obligations under employment and pension legislation.</li> <li>• The RFO submits a monthly pension return (PN11) within the prescribed date.</li> <li>• The RFO submits the Essex Pension Fund annual return within the prescribed date.</li> </ul>
VAT	<ul style="list-style-type: none"> <li>• The RFO ensures that all invoices are addressed to Burnham Town Council.</li> <li>• VAT is properly accounted for and VAT returns are submitted quarterly.</li> <li>• Ensure VAT reclaimable in relation to exempt business activities does not exceed £7,500 in a financial year.</li> <li>• A council may not use its (s.33) special VAT status to benefit others. VAT on any grant aid expenditure in kind is only reclaimed to the extent that the grant is being met from the council's own funds.</li> </ul>
Effective Management of Assets	<ul style="list-style-type: none"> <li>• The clerk will make arrangements for the custody of title deeds and land registry certificates.</li> <li>• The RFO is responsible for maintaining the asset register which will be reviewed annually.</li> <li>• All land is registered with the Land Registry.</li> <li>• Assets are inspected regularly and maintained to ensure they remain 'fit for purpose'.</li> <li>• Annual review of all risks. Adequate insurance is provided for.</li> </ul>
Legal Powers	<ul style="list-style-type: none"> <li>• A legal power is identified for every decision and payment to prevent ultra vires actions.</li> </ul>
Section 137 of the LGA 1972	<ul style="list-style-type: none"> <li>• N/A. The Town Council has a qualified Clerk and has RESOLVED that it meets the criteria to use the General Power of Competence.</li> </ul>
Procurement Process	<ul style="list-style-type: none"> <li>• All orders/tenders must be in accordance with the council's financial regulations and standing orders.</li> <li>• The procurement exercise meets the requirements of section 135 of the LGA 1972 and the Public Contracts Regulations 2015.</li> <li>• Council meets the statutory requirement to advertise all contracts over £25,000 on the contract finder website.</li> </ul>
Internal Controls	<ul style="list-style-type: none"> <li>• The council has adopted an Internal Controls policy.</li> <li>• The council complies with the Accounts and Audit Regulations 2015 (SI 2015/234) which require a smaller authority to carry out a review of the effectiveness of its system of internal control, each financial year.</li> </ul>
Audit	<ul style="list-style-type: none"> <li>• The council is required to i) prepare Accounting Statements for the year ended 31 March; ii) approve and publish the Annual Governance and Accountability Return (AGAR), including the Accounting Statements; iii) provide for the exercise of public rights and iv) publish the AGAR, inc. the signed external auditor's report.</li> <li>• The RFO meets all statutory requirements and deadlines.</li> <li>• The council appoints an independent internal auditor to review the adequacy of its controls.</li> <li>• Recommendations of the internal auditor are implemented.</li> <li>• The RFO ensures compliance with sections 25 and 26 of the Local Audit and Accountability Act 2014 which provide rights of inspection of a local authority's accounting records and supporting documentation.</li> </ul>
Budget and Precept	<ul style="list-style-type: none"> <li>• Councillors involved at an early stage to discuss the council's spending requirements to deliver services/projects.</li> <li>• The budget is monitored throughout the year to ensure the effective and efficient use of the council's resources.</li> <li>• The adequacy of Reserves is reviewed annually.</li> <li>• The Precept request is submitted by the deadline set by the district council.</li> </ul>
Local Government Transparency Code 2015	<ul style="list-style-type: none"> <li>• The council complies with the requirements of the Transparency Code for councils with an annual turnover in excess of £200,000.</li> </ul>