WHITEHILL
TOWN COUNCIL
Serving Whitehill & Bordon

STATEMENT OF INTERNAL CONTROLS

Date of Adoption: 23.01.2017 Date of Review: 07.05.2026 Next Review: May 2027

1. SCOPE AND RESPONSIBILITY

Whitehill Town Council (WTC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

2. INTERNAL CONTROL FRAMEWORK

Internal Control means the systems in place to maintain good financial governance. The Responsible Financial Officer (RFO) has legal responsibility to ensure that proper internal controls are set up and maintained. These controls ensure that all income due is received; all expenses are properly authorised; books are maintained including regular bank reconciliations; income and expenditure are in accordance with budgets. The full requirements are set out within the Accounts and Audit Regulations 2014 and explained within Governance and Accountability for Local Councils, the Practitioner's Guide March 2024.

The internal controls are set up and maintained through the security of the bank account and through the WTC finance system. WTC processes and procedures comply with the JAPG Practitioners Guide.

3. METHODS OF INTERNAL CONTROL

a. INTERNAL AUDIT

WTC commission the services of an Independent Internal Auditor. Their written report is presented and considered by WTC as part of their complete review of internal controls twice a year. This takes place in May, once the year end accounts have been closed and before the Annual Return (statutory document) has been completed. A half year review is conducted in October with a report provided to WTC of findings and recommendations of best practice.

b. FIXED ASSETS AND EQUIPMENT

The authority's assets are secured, properly maintained and efficiently managed. Appropriate procedures are followed for any asset disposal and capital purchases by logging it onto the Finance system under the asset register where this is included within the insurance policy.

c. BUDGETING

The authority prepares an approved budget in a timely manner before setting a precept or rates and prior to the commencement of the financial year. Actual performance is monitored against budget during the year, taking corrective action where necessary. A financial appraisal is undertaken before the authority commences any significant projects or enters into any long-term commitments.

d. PROCEDURES

All bank accounts are reconciled monthly. The RFO & Finance Officer provide accounting records and supporting documents to the Executive Committee monthly. Reports include:

- Detailed Income & Expenditure report
- Bank balances and Ear Marked Reserves
- All payments and income received during the month
- Bank reconciliation

e. INVESTMENTS

The WTC procedures for investments are detailed in the Investment Strategy policy which is reviewed on an annual basis.

f. PAYMENTS

All Supplier Invoices are stamped on receipt. Invoices are dated and coded by the Financial Officer and entered onto the Finance system. Invoices are then signed and approved by the Town Clerk.

Some suppliers are paid by direct debit. Most suppliers are paid on a weekly basis via BACs.

Payments are set up on the bank by the Finance Officer. There are four Councillor signatories that are authorised to process payments via BACs on the bank. Payments on the bank require two Councillors to authorise them before they can be processed.

The Town Clerk may authorise revenue expenditure on behalf of WTC up to the value of £1000.00, for such expenditure including repair, replacement or other work, whether or not there is any budgetary provision for the expenditure. The Leader of WTC can authorise up to £2,000.00.

Invoices greater than £1,000 are submitted to the Executive Committee Meetings for authorisation from two councillors before payment can be processed on the bank.

All members and officers are responsible for obtaining value for money at all times. An officer issuing an official purchase order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, by obtaining three quotations or estimates from appropriate suppliers.

g. EMPLOYMENT

The remuneration payable to all employees needs are approved in advance by the authority. In addition to having robust payroll arrangements which cover the accuracy and legitimacy of payments of salaries and wages, and associated liabilities, the authority needs to ensure that it has complied with its duties under employment legislation and has met its pension obligations:

- An external organisation administers the payroll to calculate Salaries, Tax and Pensions and the information is used to pay salaries on a monthly basis via a bank transfer. The Finance Officer sends the K2780 Pension information to HCC Pension Services on a monthly basis.
- The payroll provider submits the Real Time Information to HMRC. In addition, the Finance Officer has a direct on-line access to HMRC to periodically check the submissions.
- Any changes in Salaries are authorised by Councillors at the Executive Meetings, other than pay increases which are agreed Local Government Services pay agreement.
- The mileage claim form of the Town Clerk is authorised by the Deputy Town Clerk, the rest of the staff are approved by either the Town Clerk or Deputy Town Clerk.