

Atherstone Town Council

Statement of Internal Controls

Procedures to manage the risk of fraud and corruption and identifying potential litigation, liabilities and commitments.

Procedures in place to manage risk of fraud/corruption.

All cheque books and paying-in books are kept by the clerks.

All invoices/cheques presented to a Council meeting for approval/ratification.

Cheques must be signed by 2 Councillors, only after checking that the clerk has prepared the cheque and initialled the counterfoil. Councillors to also initial the counterfoil. **Payments may also be made by BACS transfer where the clerk will upload details to HSBC Business Banking and two authorised signatories will separately approve the payments.**

SAGE Accounting system is used for all financial records.

Clerk prepares and presents monthly financial report and bank reconciliation, for information only, at the meeting of the following month.

Clerk presents budget for approval by end of January, for the following year.

Clerk presents quarterly financial report, against approved budget, with bank reconciliation, and VAT re-claim documents, at monthly meeting, for approval to forward them to the internal auditor.

Clerks have access to Internet Banking, but only to access statements etc. and to move amounts between accounts.

On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations for all accounts produced by the 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, including any exceptions, to and noted by the Council.

Risk assessments are reviewed annually or where any changes occur, which may expose the Council to potential litigation, liability and commitment. Atherstone Town Council is a member of the Warwickshire Association of Local Councils and thus also a member of the National Association of Local Councils. Any advice required on such matters can be obtained from these sources prior to a decision being taken by the Council. Advice can also be obtained from the solicitor at the North Warwickshire Borough Council.

Where specialist legal services are required the Council uses a local solicitor, eg. preparation of a lease or purchase of land/property.

The clerk is also a member of the Society of Local Council Clerks and advice can be obtained from them.

Additions to the asset register to be carried out as soon as possible, and where applicable notified to the Council's insurer.

Litigation instances in the last year.

There have been no instances of litigation in the last year, and none in progress.

Effectiveness of review of internal control.

At the meeting of **4th March 2020** the internal controls were reviewed and the amended version was approved. The practice of forwarding the financial statements to the internal auditor, each quarter allowed any errors to be reported back to the Council and corrected in the next quarter.

Presenting a financial report and bank reconciliation each month allows each Councillor to ask questions and to check against the approved cheque lists. Approving the quarterly reports and bank reconciliations, with quarterly checks from a Councillor independent of the Chair and cheque signatories, and forwarding them to the internal auditor, with bank statements and cheque lists allows shorter term checks against the possibility of errors or fraud occurring.

Resolved and adopted at the Town Council Meeting on 4th March 2020

Signed



Date

4/3/20

Chairman of Council Cllr David Wright

Document Review Date: no later than March 2021