Atherstone Town Council

STATEMENT OF INTERNAL CONTROLS

Adopted: 3rd September 2025
Next Review: September 2026

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 paying-in books are kept by the clerks.

Any cash or cheques received for rents, cemetery payments or any miscellaneous income is banked weekly where possible, a list of all banking is entered on a spreadsheet detailing the receipt book ref, and details of the transaction, this allows a full audit trail and ease to reconciling the bank statement.

A list of invoices for payment is presented at each full council meeting for approval/ratification (with copy invoices) plus at least a list annually of regular direct debits set up.

Payments are made by BACS transfer where the clerk or deputy clerk will upload details to Unity Trust Bank 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 starts the budget process by October each year and holds budgeting setting meetings before the end of December in readiness to present the budget/precept for approval in January to enable the precept to be requested from the Borough Council by end of January, for the following year.

Clerk presents at least a quarterly financial report, against approved budget, and VAT reclaim documents at full council meetings.

The Clerk and Deputy Clerk have access to Unity Bank 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 bank 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, e.g. the 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 are in progress.

Effectiveness of review of internal control.

At a meeting of Full Council, internal controls were reviewed and the amended version was approved. The practice of forwarding the financial statements to the internal auditor, at the interim internal audit and prior the year end audit allows any errors to be reported back to the Council and corrected.

Presenting a financial report and bank reconciliation each month allows each Councillor to ask questions and to check against the approved invoices for payment and regular direct debits lists.

Approving the quarterly reports and bank reconciliations, with quarterly checks from a Councillor independent of the Chair and bank signatories, and forwarding them to the internal auditor, with bank statements and invoices for payment and regular direct debits lists allows shorter term checks against the possibility of errors or fraud occurring.