

# SOUTHWATER PARISH COUNCIL

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## INTERNAL AUDIT PROCEDURES POLICY



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# INDEX

## Contents

1. Petty Cash and Postage Stamps.....	2
2. Invoices .....	2
3. Tendering.....	2
4. Orders .....	3
5. Supplier Invoices .....	3
6. Cash.....	3
7. Banking.....	3
8. Insurance.....	4
9. Fees and Charges .....	4
10. V.A.T.....	4
11. Land and Buildings.....	4
12. General .....	4
13. Staff Salaries .....	5
14. Pensions and Tax/National Insurance/Educational Loans .....	5
15. Members and Representatives .....	5
16. Subscriptions .....	5
17. In the Absence of the Executive Officer .....	5
18. Delegated Powers.....	6

## 1. Petty Cash and Postage Stamps

- 1.1. Such items should be kept in the safe when the office is closed. No cash is to be left in sight of the public and the box containing such cash must be left securely closed if the office is left unattended.
- 1.2. Encashment arrangements are made through the Post Office and cheques should be signed by two bank signatories and authorized by Council in the usual manner as per the Financial Regulations. The Executive Officer may delegate to authorized personnel the collection of such monies.
- 1.3. Petty Cash is only to be used for stamps and items of low cost (< £100). Petty Cash should be reconciled monthly by the Administrator and passed to the Accounts Administrator (or if reconciled by the Accounts Administrator, passed to the Executive Officer/RFO), so that the records may be entered onto the computerized financial systems.
- 1.4. The Executive Officer and/or Internal Auditor will make occasional spot checks in relation to such items.

## 2. Invoices

- 2.1. Monies in respect of hire of any Council property and/or land or other monies due for services provided are invoiced on a monthly basis unless otherwise agreed by formal agreement. Any payments not received within one month to be pursued by a letter of reminder, thereafter a final letter giving a period of 7 days to be issued. A late administration charge of £25 will be applied for each month thereafter. If non-payment is then reported to the Executive Officer, the Executive Officer/Responsible Financial Officer shall at the earliest opportunity advise Council of the current debt with a view to further instructions being forthcoming from Council. The Executive Officer can authorize a credit note against any hire, subject to the appropriate paperwork being completed. Any monies to be written off or agreement reached with debtors can only be by agreement of Council.

## 3. Tendering

- 3.1 See Tendering Policy.

## 4. Orders

- 4.1 No goods will be ordered unless an official order has been raised and entered on the accounts system. Prior to orders being sent out by the Parish Office, these should be authorized by the Executive Officer/Responsible Financial Officer. Invoices will not be processed unless an order has been received and noted.

## 5. Supplier Invoices

- 5.1 Any such invoices should be authorized by the Executive Officer/Responsible Financial Officer, and the appropriate member of the management team, thereafter all supplier invoices should be coded to the appropriate cost centre and approved by the Executive Officer/Responsible Financial Officer or in the absence of the Executive Officer the Deputy/Assistant Officer.
- 5.2 The Accounts Administrator will match the invoices to the appropriate cost centre, ensuring that an order has been previously approved for the supply. These will once authorized be entered onto the computerized accounts system for approval by the appropriate Committee/Council meeting or under delegated authority to the appropriate cheque signatories and the Executive Officer. If no purchase order has been raised the Accounts Administrator should ask the appropriate management team member for the reason and copy in the Executive Officer to any communication.

## 6. Cash

- 6.1 To be regularly (once per month) collected by the Accounts Administrator or management team member of staff delegated to do so. All cash and money from the public to be collected and paid to the Post Office and receipts issued.

## 7. Banking

- 7.1 The Council currently operates Current, Deposit, and Internet bank accounts. All banking is carried out daily unless otherwise agreed by the Executive Officer with no more than £500 being held over.
- 7.2 The Accounts Administrator will verify bank statements against the computerized financial accounts system, with printouts being signed stating that these are correct also being verified by the Executive Officer/Responsible Financial Officer.
- 7.3 The Executive Officer will monitor all bank and investment accounts in order to effect necessary bank transfers and/or deposits to maximize interest benefits.

## 8. Insurance

- 8.1 Quotations for insurance cover to be obtained on a three-yearly basis where possible from three suppliers.
- 8.2 The Parish office will ensure that all assets are included as and when purchased within the insurance policy. Adequate insurance to be maintained in respect of engineering, public and employer's liability, terrorism fidelity guarantee, etc. The Council will review its insurance arrangements however, annually to ensure adequate cover is being maintained.

## 9. Fees and Charges

- 9.1 To be considered annually at the time of budget.

## 10. V.A.T

- 10.1 To be claimed quarterly as per instructions from Inland Revenue, such monies to be claimed promptly by the Executive Officer. Claim information is obtained from the Omega Financial System.

## 11. Land and Buildings

- 11.1 Authorization by the Executive Officer in relation to ongoing day to day expenditure which is necessary for the effective and efficient management of Council land/properties. Such expenditure being within the budget set by the Council and/or to ensure compliance with Health and Safety Regulations.

## 12. General

- 12.1 Stationery, gas and electricity bills, routine repair of street light fittings, bus shelters, necessary repairs, and renewals (litter pickers, safety equipment for litter wardens and other staff). The Executive Officer has authority to ensure the effective management and maintenance of all Council owned land and buildings.

## 13. Staff Salaries

- 13.1 The Executive Officer to be authorized to ensure that all staff salaries and expenses incurred attending training, meetings, etc., are paid at the agreed rate (National Joint Council (NJC Scales)).

## 14. Pensions and Tax/National Insurance/Educational Loans

- 14.1 The Executive Officer to be authorized to ensure that all staff pensions, deductions for taxation, national insurance and student loans are carried out in accordance with instructions from WSCC Pensions and HMRC.
- 14.2 All annual returns will be completed and authorized by the Parish Office any differentials reported immediately to Council. The monthly salaries and pensions will be paid by Direct Debits and other electronic banking methods. The Parish office will provide a schedule of payments to be authorized by two signatories. Thereafter this will be processed, and the signatories will then sign the authorization stating processing has been completed. The Executive Officer is authorized by Council to make payments in any electronic form.

## 15. Members and Representatives

- 15.1 Councillor expenses with the exception of co-opted members will be immediately reimbursed upon completion of the appropriate return, provided that the Council's Remuneration Scheme in that year provides for same.

## 16. Subscriptions

- 16.1 The Executive Officer be authorized to present for payment all subscriptions to other bodies unless otherwise directed.

## 17. In the Absence of the Executive Officer

- 17.1 In the absence of the Executive Officer/Responsible Financial Officer, for whatsoever reason the Council's senior management team, has full delegated powers to ensure the effective management of the Council and its financial affairs.

## 18. Delegated Powers

- 18.1 In addition to the approved delegated expenditure on Health and Safety the Executive Officer is authorized to spend up to £5,000 on items considered necessary for the effective administration and management of the Parish Council.
- 18.2 The Executive Officer has further delegated powers in relation to the booking of National Conferences (Larger Councils/NALC/SLCC) during the financial year without recourse to the Council. Furthermore, the Executive Officer can expend monies in relation to repairs and maintenance to ensure a fully maintained street lighting stock and to ensure compliance with Health and Safety Regulations.