

Seaton Town Council Internal Controls

In addition to the Internal Audit, the following controls apply:

Payments

All payments are checked by the Clerk and by two councillors, and where possible one of who is the Chairman of the Finance & General Purposes (F&GP) Committee, who sign the cheques. Cheque stubs and invoices / vouchers are initialled. All payments are presented to the F&GP Committee at its monthly meetings.

The Council shall use the agreed Council debit card for those purchases, within agreed budgets, where a cheque or invoice payment is not available. The debit card will be used solely by the Town Clerk and any purchase will be subject to authorisation by two cheque signatories who will then sign a Council approved pro forma provided expenditure has previously been agreed. The card will be secured in a lockable safe box.

Any purchases made using the agreed Council debit card will be presented to the F&GP Committee as per all other payments.

Budgetary controls

Progress against budgets is regularly monitored and the report presented at each F&GP Committee meeting.

Petty cash procedure

Reimbursement is regular with evidence that on occasions an independent person has physically counted the cash balance and checks it is in agreement with the up-to-date record. Petty cash expenditure is approved at each F&GP Committee meeting.

Payroll controls

Internal audit will be seeking reassurance that the system is delivering the correct payments for wages and salaries and that Pay as you Earn (PAYE)/National Insurance Contributions (NIC) are correctly deducted from the gross pay and paid to HM Revenue and Customs. On occasions an independent person checks that payments for wages and salaries are in accordance with contracts of employment and that PAYE/NIC is correctly deducted.

Changes to contracts of employment (whether annual salary change, or other) are formally agreed by the Personnel Committee and a written statement provided to the employee. The council records evidence of such agreements.

The Personnel Committee will approve a schedule of staff salaries at least once a year

Asset Register

The Council maintains an asset and investment register which is reviewed at the annual meeting of the Council.

Bank reconciliation

On receipt of each bank statement, there is a reconciliation with the cash book record written up from the council's records: cheque counterfoils and the paying-in books, together with the known direct payments and credits. The cash book record is checked regularly against the bank statements to provide control.

As part of internal controls, the F&GP Committee to review the bank reconciliation in detail and the chairman and one other councillor to evidence that review by signing the bank statements at each F&GP Committee meeting which is then minuted.

Risk Management

The Council undertakes its own Risk Management and reviews the risks identified at each annual meeting of the Council.

Additional controls:

- Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment.
- Regular reporting on performance by suppliers / providers / contractors.
- Annual review of contracts.
- Adoption of and adherence to codes of practice for procurement and investment.
- Regular returns to HM Revenue and Customs.
- Regular returns of VAT.
- Developing systems of performance measurement.
- Procedures for dealing with and monitoring grants or loans made or received.
- Minutes properly numbered and paginated with a master copy kept in safekeeping.
- Procedures in place for recording and monitoring Members' interests and gifts and hospitality received.
- Adoption of codes of conduct for members and employees.