

**WILTON TOWN COUNCIL**

*Ancient Capital of Wessex*



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# **WILTON TOWN COUNCIL**

## **Statement of Internal Control**

Originally adopted by Wilton Town Council on March 2018

Reviewed and Re-Adopted on

Minute reference

Review date; September 20

## 1. **Appointment of Officers and Administrative Arrangements**

- 1.1 The Clerk to the Council is also appointed as the Proper Officer for the several purposes as defined in the Local Government Act 1972 and is also appointed as the Council's Responsible Financial Officer (RFO).
- 1.2 Such other Officers and contracted support staff may be appointed as deemed necessary to assist with the administration of the Council, and they will report to and work under the direction and authority of the Clerk, such as the Assistant Clerk. Their respective core duties in relation to financial matters will be appended to this document.

## 2. **Governance Arrangements**

- 2.1 The Council is responsible for the consideration and approval of all financial matters. Subject to that, the Council will make and keep under review [Financial Regulations](#) and may include within its [Standing Orders](#) particular provisions relating to contracts. The Council's System of Internal Control is ancillary to and underpins Financial Regulations and Standing Orders.
- 2.2 Under approved delegation arrangements, the Clerk is responsible for the day to day management of all land and property under the Council's control.
- 2.3 The Council will appoint a Policy & Resources Committee for the purposes of reviewing and reporting to the Council on estimates and budgetary control. The Committee will also keep under review and report on the Council's system of internal controls.
- 2.4 The Council is required to appoint an independent Internal Auditor.
- 2.5 An annual work programme for the Internal Auditor will be agreed by the Council, and the Internal Auditor will provide a certificate to be submitted with the Statement of Accounts and Annual Return as part of the annual external Audit of Accounts.

## 3. **Financial and Accounting Procedures**

- 3.1 The following principles shall be observed in connection with accounting duties:
  - a) The duty of providing information, calculating, checking and recording sums due to, or from, the Council should be separated as completely as possible from the duty of collecting or dispersing them.
  - b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions.

## 3.2 **Cheque Signatories**

- 3.3 Financial Regulations require that any two Members' signatures are required on cheques and any other method of payment order including the sanction of payments by internet banking that are issued on the Parish Council's accounts. Members will be asked to provide specimen signatures on a formal list to be held as a Town Council record and also if required by the Town Council's bankers.

## 4 **Invoicing**

- 4.1 Invoicing for Town Council services relates only to Shaftesbury Road Cemetery, the hire of the Sports Pavilion, football pitches and cricket pitch at Castle Meadow recreation ground, and the tennis court and Bowls Club at Minster Street play area. These generally fall into two categories – casual and block hirers.
- 4.2 Block hirers of the Pavilion e.g. the football clubs are sent booking forms at the beginning of June on the basis of anticipated and continued use during the following season. These are returnable within four weeks to the Clerk who will provide copies for the Contractor as well as weekly hiring records showing actual use, and the Clerk will make any required adjustments before invoicing. The Clerk will issue an invoice at the end of each month for that month's use.
- Block hirers of the cricket pitch and tennis courts are sent booking forms at the beginning of January on the basis of anticipated and continued use during the forthcoming calendar year. The clerk will issue an invoice in January for the previous calendar year's use.
- 4.3 Casual hirers of the Pavilion will normally have been required to pay the total hire fee (plus any deposit) prior to the hire event. The deposit is to be banked upon receipt alongside the hire charge. Unless notified otherwise, the Clerk will prepare deposit refund cheques for signature at the next available Policy & Resources committee or Full Council meeting. The Clerk will consult the Chairman of the Town Council in deciding, should the circumstances so require, whether a deposit should be withheld, either in whole or in part. Where refund of a deposit is withheld, the facts shall be reported to the next available meeting of the Town Council.
- 4.4 Invoices shall be rendered on the basis of the scale of fees and charges effective at the time. The Town Council will review these annually before the start of the next financial year. The Chairman shall undertake the periodic checking of the accuracy of invoices prepared by the Clerk.
- 4.5 All invoices shall bear reference to payment terms of 30 days.

## **5 Cash and Cheque Handling/Security**

- 5.1 The Clerk or Assistant Clerk will receive payments either in person at the council offices or through the post. No other person is authorised to receive cash from hirers. Upon the receipt of cash in person, a receipt will be issued. All cash and cheques shall be kept safely in a locked container and shall be banked periodically (at least once a week) by the Clerk. The credit/paying in book will be completed with brief details regarding the payee and purpose of the funds.

## **6 Salaries and other Staff Payments**

- 6.1 Payroll is currently outsourced to an independent company with the data emailed (password protected) to the Clerk. Salaries and other staff payments shall be made normally on the 25<sup>th</sup> of each month, but certainly no later than the last day of each month (by either cheque or BACS). Payments shall be paid on the basis of information agreed and reviewed from time to time by the Town Council. This information will confirm the actual amounts of the salaries and wages to be paid rather than left to interpretation or related to percentage increases. Supplementary payments for additional duties beyond the core duties of litter picking/cleaning staff shall be made on the basis of weekly schedules prepared and endorsed by the Clerk. Any timesheets requested of staff shall be countersigned by the Clerk.

- 6.2 The P11 deduction working sheet shall be checked periodically (every 3 months) by the Clerk/RFO, and the end of year Form P35 shall be approved by a Member of the Town, normally the Chairman or Vice-Chairman, prior to its being filed on line.

## **7 Budgetary Control**

- 7.1 The Clerk (RFO) will ensure that all accounts certified for payment are endorsed with the correct expenditure code, and that this information appears on both the agenda for (payments schedule) and Minutes of meetings where payment of accounts are approved.
- 7.2 The Clerk will provide a Budget Monitoring statement for circulation at each Full Council meeting. Further updated statements may from time to time be requested for consideration at a Budget Committee meeting monitoring budgetary control and preparing estimates. The statement of accounts will be accompanied by commitment sheets for each budget head showing the true amount available (or overspent as the case may be).
- 7.3 The Clerk (RFO) will provide to each Full Council reconciliation statements of the Town Council's accounts taken from the information contained in the cash book, supplemented by actual extracts from the cash book together with copies of the relevant bank statements. This information will be passed for independent verification by either a Member of the Town Council or the Internal Auditor, who will confirm such verification to the Town Council.
- 7.4 The Budget/Precept Committee as constituted by the Town Council will meet in November and December for the purposes of budgetary control review and the preparation of estimates for presentation to the December Town Council meeting. At that meeting, the Town Council will approve such estimates, and determine its budget requirement and consequent precept for the next financial year.
- 7.5 At or around the end of a financial year, it must be made clear to the Town Council in which financial year an account payable falls. This will be made clear on the agenda (payments schedule), endorsed on the account itself, and confirmed in the relevant Minute.

## **8 Procurement**

- 8.1 Financial Regulations provide a framework and set procedures for dealing with contracts of certain values. Working beneath that framework, provision needs to be made for the day to day operational work of the Town Council to be administered, and to that end the Clerk is entitled to use petty cash for small purchases. The Clerk is authorised to issue orders for essential office and cleaning/caretaking supplies to support the Parish Council's administration and the operation of the Sports Pavilion facility.
- 8.2 Financial Regulations require that for contracts of a value exceeding £25,000, tenders from at least three firms must be invited. For expenditures of £25,000 or less, and unless the Council directs otherwise, three quotations are required. Where the value is below £5000 but above £500, the Clerk shall strive to obtain three estimates. Subject to those considerations, the Town Council agrees that for any work, goods or services up to a value of £1,000, the Clerk in consultation with the Chairman of the Council or Chairman of a Committee with delegated powers, shall have executive power. Even though competitive tendering would not be required, the obtaining of alternative quotations may remain desirable. In some cases however, alternative prices or estimates may be pursued and compared before an official order is placed.

8.3 The Clerk may incur expenditure on behalf of the Council which is necessary for the purposes of any repair, replacement or other work of an urgent nature, whether or not budgetary provision exists for such expenditure, up to a limit of £500. The Clerk shall report the action to the Council at the next available meeting.

8.4 The Council has adopted a [Procurement Policy](#) that clarifies these matters and that should be followed at all times.

## 9 **Asset Management**

9.1 The [Council's Asset Register](#) is updated annually and made available online.

## 10.0 **Risk Management**

10.1 The Council's [Risk Management Policy and Annual Risk Assessment](#) is available online.

## 11.0 **Reviewing the effectiveness of the System of Internal Control**

11.1 The Council is responsible for conducting, at least annually, a review of the effectiveness of the system of internal control. This role will be initiated by the Policy & Resources Committee and incorporated within the annual work programme of the Council's Internal Auditor. The findings of the annual review shall be reported to and considered by the Council.

**Core Duties – Clerk (Financial Services)****Weekly**

- Bank all income receipts and enter in cash book
- Enter payment transaction in cash book allowing for VAT where applicable
- Check all hire bookings have been paid or invoiced
- Monitor bank account balances on current and deposit account.

**Monthly**

- Invoice all block hirers for use of Sports Pavilion
- Raise cheques for Pavilion hire refundable deposits
- Complete monthly payroll:
  - Raise cheques/BACS payments and enter in cash book
  - Complete payslips and all Inland Revenue forms allowing for National Insurance and Income Tax
- Complete monthly pension contribution return and e mail to Wiltshire Council with any starter/hour change/leaver information. Post the pension contribution cheque to Wiltshire Council.
- Prepare schedule of accounts for payment for the Environment & Amenities Committee, Policy & Resources Committee and Full Council.
- Update all transactions on accounts software and backup.
- Reconcile cash book to bank statements and copy evidence to Chairman of the Policy & Resources committee for independent checking

**Quarterly**

- Complete VAT return and send to HM Revenue and Customs
- Complete PAYE and send with cheque to Revenue and Customs
- Brief Internal Auditor as required

**Annually**

- Complete all year end accounts:
  - Income and expenditure
  - Balance sheet
  - List of debtors and creditors
  - List of section 137 payments
  - Any additional information required for Annual Return
  - Complete year end PAYE:
  - Complete P14s and issue P60s to all staff

- Complete P35 Employer's Annual Return and send to Revenue and Customs
- Complete Pension Contribution Return and send to Wiltshire Council
- Attend meetings as required by Internal and External Auditor

#### **Additional Core duties of the Clerk in relation to Financial Services**

- Note any changes in the requirements of hirers of the Sports Pavilion or Tennis Courts, including cancellations
- Receipt of all fees and deposits relating to the hire of the Sports Pavilion and recreation ground and tennis courts
- Ordering of cleaning and other essential supplies and equipment required for the day to day running and maintenance of the Council offices and Sports Pavilion.

#### **Additional Core duties of the Assistant Clerk in relation to Financial Services**

- Production and distribution of hiring contracts (booking forms) to block and casual hirers
- Production and display of weekly caretaking schedule – advise Cleaning Contractor monthly of core duties/additional hours for payroll purposes
- Issuing receipts for cash, and banking all cash/cheques received at least once a week