

Doddinghurst Parish Council Compliance Statement 2014

This document sets out the arrangements and agreements approved by Doddinghurst Parish Council to ensure compliance with Appendix 11 and outlines the way in which the Parish Council plans to “take advantage of modern payment methods”. This paper should be read in conjunction with Appendix 11 as common references have been adopted.

1. Framework statements about safeguarding public money.

The Parish Council is compliant with the twelve framework elements with the following clarifications:

1.1 The Parish Council has established a Finance and Resource committee to regularly review, inter alia, the safeguarding arrangements for the protection of public funds. They do this by:

- a. Having oversight of the audit process and consider in detail the nine confirmations required in its annual governance statement.
- b. Ensuring that two authorised bank signatories approve all payments requiring either a *Cheque* or *Approval for a Bank Transfer*. It should be noted that two approved signatories on any cheque is also required by the Parish Council’s banks to validate the cheque.
- c. Where provided, online access to bank accounts is by secure means, as administered by the Council’s banks.
- d. All expenditure (to suppliers or others by bank payment and by petty cash) is seen by full council and signed off at full council meetings and a record retained with the minutes.
- e. Cash receipts are logged as incoming “correspondence” and reported to the Parish Council monthly. Cash is also logged onto the Sage financial system as “Petty Cash” and banked periodically by the RFO by BAC’s transfer. Wherever possible only a cash “float” is retained on Parish Council premises, and that is in a fire safe.
- f. A personnel Fidelity Guarantee insurance is included in the annual Parish Council Insurance cover.
- g. Bank Statements are available for inspection by members of the Parish Council at all office hours and a monthly bank reconciliation is carried out.

1.2 Approval for a “sweep” arrangement whereby the Bank appointed by the Council periodically aggregates the councils various balances via automatic transfers is hereby confirmed. This applies between the Parish Council’s Barclays Community account and its Barclays Savings account.

1.3 Bank Mandates for the establishment of: Doddinghurst Parish Council’s Barclays Community A/C, Barclays Savings A/C and Santander Business Savings A/C have been approved by the Full Council and in accordance with the Banking Code of Practice for which proof of identity and addresses of individuals concerned have to be submitted.

1.4 The council has five authorised signatories for Doddinghurst Parish Council Bank accounts at 1.3 above. Each signatory has equal signing rights as far as the bank is concerned with no upper signing limit provided the work has been given prior appropriate approval by an appointed committee, which have their own financial authority limits. Rotation of signatories beyond the five listed is not

practised in order to retain expertise, and normally only changed on a Councillor's retirement from office.

1.5 The Parish Council has appointed its Clerk as the Responsible Financial Officer. The Clerk is CiLCA qualified and the Council has been awarded Quality Status since 2007.

1.6. The Parish Council uses a "Sage" Business Accounting system for managing its finances which is used to produce, inter alia, a Balance Sheet statement and a Revenue and Receipts statement for Council meetings.

1.7 The end of year external audit requires a full bank reconciliation as well as matching its income and expenditure to bank balance, an asset records statement and public works loan statement.

1.8 The Parish Council appoints an independent Internal Auditor to review its operations on an annual basis.

1.9. The Finance and Resource committee annually review the Council Security, Insurance, Finance and Risk factors.

2. Overview.

2.1 Paragraphs No 1 and 2 Compliant, see statement 1.1 and 1.1b above

2.2 Paragraphs No 3 through to 13, Noted.

3. Roles and responsibilities of members

3.1 Paragraphs 15 through to 18, Noted.

3.2 An internal audit is carried out annually.

3.3 The Council's Finance and Resource Committee has the following objectives in its constitution:

- Review budgets and other submissions prior to recommending a precept for acceptance by full Council.
- Act to ensure that the funds of the Council are at all times properly accounted for and managed and provide governance oversight of financial affairs and council performance including an annual review of standing orders, financial regulations, banking and bank signatory arrangements and all controls.
- To ensure that up to date job descriptions and employment contracts are in place. Also to maintain and overview of pension arrangements, annual leave and the correct level of contracted hours of officers is maintained. To ensure that annual reviews and salary reviews are carried out at all levels.
- To ensure councillor and officer training and skills are maintained.
- To review risk assessments, insurance arrangement including fidelity cover and fixed assets register.
- To compile and progress grant applications.
- To review PAYE and VAT process
- To review and confirm lawful activity of the council through certainty of use and identity of powers.

The members of this committee are re-appointed annually at the Annual Parish Council Meeting in May.

4. Roles and responsibilities of the Responsible Financial Officer (RFO)

4.1 Paragraph 19, For Doddinghurst Parish Council the Clerk is also the Responsible Financial Officer.

4.2 Paragraphs 20, 21, 22 - Noted

5. Corporate arrangements for monitoring and scrutiny.

5.1 Paragraphs 23 to 29, Compliant, see 1.1.

5.2 Paragraph 30. Not Compliant, see 1.4.

5.3 Paragraph 31. Compliant

5.4 Paragraph 32. Noted.

6. Corporate controls to manage risk, error and fraud

6.1 Paragraph 33, 34, 35 Noted.

6.2 Paragraph 36. A monthly bank reconciliation is carried out and the Council receive a *Sage* system produced report titled "*Balance Sheet*" containing the status of the bank accounts, including a Petty Cash account. A full bank reconciliation is produced for the annual audit and the audit return is, of itself, also a bank reconciliation in that it has to balance money held as cash in the bank against the balances carried forward, plus revenue and less receipted expenditure.

6.3 Paragraph 37. Compliant

6.4 Paragraph 38. Funds are automatically swept from the Barclays Current account to the Barclays Savings account and vice versa to maintain an average balance of £300 in the current account. All the automatic transfers are recorded and retained on Bank Statements.

6.5 Paragraph 39. Compliant. The listing is held with the Bank Statements.

6.6 Paragraphs 40 to 42. An annual internal audit is held and the format/ reporting requirements for the internal audit is set by the external auditor, as appointed by the Government. Doddinghurst Parish Council continues to receive paper bank statements from Barclays and Santander and these are available for inspection during office hours.

Roger Blake
Clerk & RFO
Doddinghurst Parish Council
13th May 2014