



## **WILMINGTON PARISH COUNCIL**

### **STATEMENT OF INTERNAL CONTROL**

#### **Overview**

The Accounts and Audit Regulations 2025 impose a duty on local councils to ensure 'that the financial management of the body is adequate and effective and that the body has a sound system of internal control'.

Local councils are required at least once a year to conduct, in accordance with proper practice, a review of the effectiveness of its system of internal control. A council is required to sign the annual governance statement, on the annual return submitted to the external auditor to evidence that this review has been undertaken.

In order for Wilmington Parish Council (*'the Council'*) to review the effectiveness of the internal control system there needs to be clarity on the internal controls in place.

Some internal controls are listed in the Council's Financial Regulations document (*'the Regulations'*), but, as set out below, the system of controls goes beyond this.

#### **Cash Book/Bank Reconciliations**

- The cash book is kept electronically through Scribe Accounts and maintained up to date from original documents (cash and other income received, invoices, payments made and cheques as they are prepared)
- The cash book is reconciled to the bank statement monthly
- The bank reconciliation is reported to Council and minuted as such at a Council Meeting (*'Meeting'*)
- The latest financial position and movements on the Council's cash balances are reported at each meeting of the Council

#### **Financial Regulations**

- The Council has adopted the Regulations based on the model version prepared by NALC/SLCC. The Regulations are reviewed annually by the Council for continued relevance and amended where necessary. They were last reviewed in 2024.

#### **Order/Tender Controls**

- The Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work
- Official purchase orders/communications are sent to suppliers for services which are repeated or not regular in nature
- Official contracts are executed for fixed term services



## **Payment Controls**

- Depending on the nature of the supply the Responsible Finance Officer (*'the RFO'*) checks the purchase invoice for accuracy
- Purchase orders/communications ordering the work are matched to purchase invoices where applicable
- All invoices for payment are listed on the appropriate agenda of a Meeting; checked against invoices by the RFO
- Payments made form part of the Financial Statements approved at a Meeting
- Cheques will be signed by a Councillor who is authorised to sign on the Council's bank mandate
- Original invoices are available to the Councillor signing the cheques
- The Council has a BACS system in place. The RFO is authorised to make payments online. The RFO is not a signatory for cheques but is authorised to administer the Council's bank accounts
- The RFO is authorised to transfer funds from one bank account to another
- The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved by a Councillor who is authorised to sign on the Council's bank mandate
- Every payment is identified by a sequential unique number which is used to identify the invoice and the transaction in the payment electronic cashbook and cross referenced with the relevant bank statement
- When invoices are paid by cheque, they are identified by the cheque number and referenced in the electronic cashbook by the cheque number as well as the unique identifier
- When invoices are paid by BACS or internet payments they are identified by the unique identifier
- Payments made by debit cards are by the authorised users only and subject to limits in place. Authorised users are the RFO and the Parish Groundsman with the limits being £1,000 and £500 respectively
- Bank statements may be viewed by Councillors at any time by making arrangements with the RFP

## **VAT Repayment Claims**

- RFO ensures that proper VAT invoices are received where VAT is payable
- RFO ensures a VAT account is maintained to show that the correct amount is reclaimed in the year at quarterly intervals

## **Income Controls**

- RFO ensures that the precept received is correct in accordance with the request sent to Dartford Borough Council
- RFO ensures that the precept instalments are received when due
- RFO ensures that all monies received whether by cash, cheque, BACS payments or direct debit are recorded on the finance system
- RFO ensures that monied received by cash and cheques are banked regularly
- RFO ensures that receipts are issued for cash or cheques received

## **Financial Reporting**

- A Budget Control, comparing actual receipts and payments to the budget and the previous year is prepared twice yearly and presented to the Council in advance of a Meeting and minuted as such



### **Budgetary Controls**

- The budget is prepared in consultation with the Council, as evidenced by reports and Meeting minutes in advance of the start of each year commencing 1<sup>st</sup> April
- The precept is set on the basis of the budget by the deadline determined by Dartford Borough Council

### **Payroll Controls**

- All employees are paid under PAYE and through HMRC's Basic Tools the necessary system for Real Time Information is in place
- All salaries are set by the Council and the agreed figures recorded in the minutes of the Meeting at which set
- All salaries are paid by a BACS payment
- *The RFO will ensure that all the necessary payroll returns and payments are made to HMRC and will retain evidence that this has been done*

### **Office and Clerk's Expenses**

- The RFO has authority to spend the administrative budget as approved by the Council

### **Asset Control**

- The RFO maintains a full asset register and reports on assets disposed and acquired annually
- The adequacy of insurance of the Council's assets is considered annually in advance of the insurance renewal

### **Risk Assessment**

- Risk management is in place in the form of indemnity and Public Liability insurance
- General Reserves are maintained at approximately 50% of the precept
- Earmarked Reserves are identified and updated annually

**This Statement of Internal Control was reviewed and adopted by the Council at its**

**Meeting held on 7<sup>th</sup> January 2026**