

Leek Town Council

Internal Controls

Adopted March 2016 /Reviewed February 2020

1. Procedure for safeguarding money:

- i) The council approves every bank mandate; the list of authorised signatures for each account; the limits of authority for each account and any amendments to mandates. A council member who is an authorised signatory and the clerk are authorised to sign cheques. The clerk scrutinises and the clerk and mayor certify every invoice. Authorised signatories are reviewed at the Council's AGM and rotated frequently.
- ii) The approval of the council is required prior to setting up any direct debit payments.
- iii) Cash & cheques regarding allotment rent are received by the town clerk and receipts are given to the tenants. Tenants have been requested to pay by standing order, bank transfer or cheque. The rent received is reconciled to the allotment database and the money paid into the bank on a daily basis.
The council is insured for:
 - a) Money on the premises during business hours - £2,000.
 - b) Money on the premises outside business hours - £250
 - c) Money in private dwelling houses of authorised employees - £250

Standing orders and bank transfers made by tenants regarding the payment of allotment rent are identified on the bank statements by the clerk and receipts issued.

- iv) Other receipts, including donations to the Mayor's Charity and events and other council events are received by the clerk and the money temporarily stored in the locked store room. The money is banked on the day that it is received.
- v) A councillor and another authorised person are required to count significant cash sums, for example, at council events.
- vi) The Income and Expenditure account and bank reconciliation is carried out on a monthly basis and presented to members at full Town Council meetings; together with a list of all accounts held and current balances.
- vii) The Clerk issues cheques for payment promptly and a list of payments is presented at the town council meetings. Any cancelled cheques are filed with the invoices.
- viii) Internal audit reviews and reports on controls over money are undertaken annually.

2. The Council only approves expenditure if it has the legal powers to do so.
3. The monthly employer returns and payments to HM Revenue and Customs are made promptly.
4. A contract of employment is issued for all staff and reviewed on a regular basis.
5. Regular VAT returns and payments are made to HM Revenue and Customs.
Actual expenditure is reviewed monthly against budget expenditure. An explanation is given of significant variances to budget (15% or more).
6. Minutes are consecutively numbered and filed.
7. Procedures are in place for the receipt of documents, circulation, response, handling and filing.
8. Procedures are in place for recording and monitoring members' interests and Gifts and Hospitality received.
9. A Code of Conduct for members is in place.
10. Internal controls to be reviewed on a regular basis.