



FLEETWOOD TOWN COUNCIL

Internal Control Document

DOCUMENT INFORMATION

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Author:	Clerk to the Council (RFO) – Michelle Hargreaves – v1.0
Authorised by:	Fleetwood Town Council
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Reviewer:	Clerk to the Council (RFO) – Irene Tonge – v2.0
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1 INTRODUCTION

“The council is responsible in law for ensuring that its financial management is adequate and effective and that it has a sound system of financial control which facilitates the effective exercise of the council’s functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption” (Financial Regulations).

This document identifies the controls put in place by Fleetwood Town Council to address the requirement to protect the financial affairs of the council. It refers to controls which support and should be read in conjunction with this document, which is a control document in its own right.

Controls include the following: -

- Financial Regulations
- Standing Orders
- Code of Conduct
- Risk Management Plan
- Risk Management Register
- Insurance Policy
- Internal Control Document
- Appointment of an Internal Auditor

This document, and all other key documents produced or adopted by Fleetwood Town Council will be reviewed at least annually or as required by regulations covering town and parish councils.



FLEETWOOD TOWN COUNCIL

Internal Control Document

Reviews of documents will also be arranged when significant changes take place which require changes to controls in order to minimise risk.

The content of this document should be read in conjunction with and in addition to the approved Financial Regulations of the council.

2 AIM OF THE COUNCIL

Fleetwood Town Council aims to meet its statutory obligations and provide an effective value for money service to the council taxpayers and residents of Fleetwood.

3 DOCUMENTATION

The following documents have been reviewed and adopted by the Council and will be subject to review as mentioned above: -

- Financial Regulations
- Standing Orders
- Model Publication Scheme

The following documents have been produced, reviewed and adopted by the Council: -

- Risk Management Plan
- Risk Management Register
- Information Available under the Model Publication Scheme

In addition, other documents have been produced as follows: -

- Asset Register
- Complaint Handling Procedure
- **Anti-Harassment Policy**
- Disclosure Log
- Grant Application Form
- Grant Aid Policy
- Annual Schedule of Meetings
- Clerk's Timesheet
- Register of Interests and Acceptance of Office – plus a list of names, and dates of completion / updates
- Review of the Effectiveness of Internal Audit
- Policy for the Provision and Allocation of Allotments
- Allotment Tenancy Agreement
- Policy for keeping chickens on the Allotments



FLEETWOOD TOWN COUNCIL

Internal Control Document

- Grievance Policy
- Fire Evacuation Plan

All documents produced including agendas and minutes of meetings, will be retained as records of the council. Retention of documents will be in accordance with the NALC Legal Topic Note 40. This for example requires all minutes to be retained indefinitely, insurance certificates to be retained for 40 years, and accounts to be retained for a minimum of 6 years.

Documents produced will be recorded as draft and final versions in accordance with British ISO Document Control standards. i.e., draft versions v0.0a, v0.0b etc. and final versions v1.0, v1.1 and major revisions as v2.0. etc.

4 INTERNAL AUDIT

- 4.1** Prior to year end the Council will appoint an Internal Auditor to perform an audit on the Council's internal controls and to review documents listed under section 3, and the Council's adherence to them.
- 4.2** The Internal Auditor must be competent, with knowledge of local authority systems and procedures. He should be independent of the operations of the council, free of any conflicts of interest and am not involved in the financial decision making, management or control of the council.
- 4.3** The Clerk will be available to assist the Internal Auditor in review of the documents / processes as required. The Chairman and Members of the Council will support the Internal Auditor in the provision of information as may be required.
- 4.4** The report produced by the Internal Auditor and his completion of Section 4 of the Annual Return will be reviewed by the Council. All recommendations / observations made will be documented in a plan to be agreed by resolution of the Council, to ensure all requirements are addressed prior to the next Internal Audit.
- 4.5** The Internal Auditor may be called upon within 12 months to provide a further Internal Audit – it is acknowledged that such audits do not necessarily have to be performed at the start of the financial year.

5 EXTERNAL AUDIT

- 5.1** This consists of a basic audit from information included on the Annual Return which relies on the validity of the Internal Audit and a minimum of information.



FLEETWOOD TOWN COUNCIL

Internal Control Document

- 5.2 The Clerk and Members of the Council will adhere to the timescales determined by the external auditor for the submission of the completed Annual Return.
- 5.3 The Clerk, Chairman and Members of the Council will support the External Auditor in provision of further information as may be required.
- 5.4 The report produced by the External Auditor will be reviewed by the Council. All recommendations / observations made will be documented within the plan mentioned above to ensure all requirements / recommendations / observations are addressed prior to the next External Audit.

6 BUDGET / PRECEPT

- 6.1 An itemised draft budget for the following financial year will be formulated in September / October and discussed by the Council in order to agree the Precept required in November / December. Timescales stipulated by Wyre (Borough) Council for submission of the Precept must be adhered to – this is normally early January.
- 6.2 In producing an initial draft budget the Clerk will take into consideration income, expenditure and available balances. The Clerk will obtain projections of figures for ongoing / operating costs to include e.g., training, subscriptions, insurance etc. In addition, costs for elections must be included in the year following an election year, also new projects, non- recurring items and anticipated cost variations. Account must be taken for contingency and in particular the requirement to build a reserve of funds. Due to being a recently established council, this will be addressed over a period of years.
- 6.3 When the Precept is agreed, a review of insurance must be made to ensure that Fidelity cover is likely to be sufficient at the time the Precept is received. If not, the Clerk will advise the Council with a view to addressing this by resolution at a Council Meeting.
- 6.4 The annual budget will form the basis of financial control for the following year. Throughout the year, regular monitoring of expenditure against the budget will take place, with reconciliation of income and expenditure against bank statements. Information will be provided to Council meetings quarterly as a minimum.

7 BUDGETARY CONTROL

- 7.1 From the commencement of each financial year, the Clerk (RFO) will provide the council with a statement of receipts and payments to date under each heading of the budget.



FLEETWOOD TOWN COUNCIL

Internal Control Document

The total cumulative spend against the budget will be recorded. These statements will be presented to the Council quarterly as a minimum.

- 7.2 Financial records will be maintained and updated on a regular basis, with reconciliations against bank statements being performed monthly.
- 7.3 The VAT element of payments made will be recorded for reclamation purposes.
- 7.4 A schedule of the payments required will be provided within the Accounts for Payment listed within the Agenda Information Packs. Receipts or invoices relating to each item for payment will be available for review at council meetings. If the schedule is in order, it will be authorised by resolution.
- 7.5 As full information as possible will be provided within the Accounts for Payment items listed within the Agenda Information Packs and within the financial data provided.
- 7.6 All items relating to specific payments will be filed together for audit purposes.

8 BANKING ARRANGEMENTS AND CHEQUES

- 8.1 Cheques drawn on the bank account will be signed by two signatories. All payments will normally be made by cheque, debit card, bank transfer or direct debit, when approved by the Council.
- 8.2 To indicate agreement of the details shown on the cheque and invoice or similar documentation, the signatories and the clerk shall also initial the cheque counterfoil.
- 8.3 Cheques will be paid as soon as possible following the meeting and records updated.
- 8.4 Payments by bank transfer will be made on quotes and invoices approved by council for payment and will be witnessed and the invoice countersigned by a registered signatory.
- 8.5 Payments for goods by debit card will be made by the clerk, on the authority of the council, or under the clerks delegated powers, and authorized/ countersigned by a registered signatory.

9 PAYMENT OF ACCOUNTS

- 9.1 The Clerk will examine all invoices to ensure that the work, goods or services to which the invoice relates has been received, carried out and approved.



FLEETWOOD TOWN COUNCIL

Internal Control Document

- 9.2** The Clerk will check invoices for arithmetic accuracy and will record them against the appropriate budget heading. All steps will be taken to settle all accurate invoices via submission at the next council meeting.

10 PAYMENT OF SALARIES

- 10.1** The Clerk/CEDO is paid a set figure per calendar month based on a basic number of time hours worked per week. All hours worked are recorded daily and summarised on a timesheet. A business requirement to work additional hours must be agreed by the Chairman prior to the hours being worked. The hours when worked would be recorded on the timesheet, signed by the Chairman, and authorised for payment by the Council at the following meeting.
- 10.2** Approved expenses will be claimed as appropriate. Details will be included in the Accounts for Payment along with the invoices for Council approval – item 7.4.
- 10.3** Salaries shall be approved by the council.
- 10.4** The council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE, Workplace Pension requirements and National Insurance legislation.

11 INCOME

- 11.1** The Council receives regular annual Income for:
Precept
Rents (Allotments)
Advertisement Hosting

Provision is made for these incomes to be paid directly into the FTC bank account; the Precept is always paid directly into FTC bank account from Wyre Council. In addition, Allotment tenants have the option to pay in cash or by cheque. Other income includes donations, collections and sponsorship in respect of Fleetwood Town Councils Fleetwood in Bloom and Fleetwood Festive Lights Events. Where cheques and cash are paid in, a paying-in book will be completed and stamped by the bank as a receipt. All collections must be bagged, counted and documented by two members of the Committees and signed into the receipt books prior to being handed to the Clerk and Community Engagement & Development Officer who will verify the figures together and document the receipt by their signatures. Two people must verify the figures at all times. The collections/cheques will then be paid into the Councils bank account by the Clerk as soon as possible.



FLEETWOOD TOWN COUNCIL

Internal Control Document

- 11.2 Another income stream is reclaimed VAT.** The Clerk will make any VAT repayment claims due, **preferred annually following the financial year end, but must be within 3 years.**

12 RISK MANAGEMENT

- 12.1** The Risk Management Plan and Risk Management Register are internal control documents and therefore must be read in conjunction with this document.
- 12.2** These include statements regarding risk, likelihood, impact, mitigation measures and responsibility.
- 12.3** Both documents are to be reviewed and updated annually.