

Yattendon Parish Council

Internal Controls Policy and Procedure

Version number	1.0	Minute reference	23/014
Date adopted	11 th May 2023	Review due	Annually (May)

The Responsible Financial Officer (RFO) is responsible for ensuring that the Council's day-to-day finances are run properly, however, it falls to Council members to exercise a proper and reasonable degree of control over financial matters.

Yattendon Parish Council carries out the following ongoing internal control procedures:

Monthly:

1. The Clerk/RFO provides the bank reconciliation, cash book, bank statement and payroll details to the internal controller to review. As the Council now operates the accounts on a paperless basis, all documents will be made available to the internal controller via access to the Scribe accounting package and via an Accounts folder on Google Drive.
2. The Clerk/RFO ensures that regular payments and purchases previously agreed by council are made between meetings as appropriate and reported to the next meeting of the council.
3. The Clerk/RFO processes payroll each quarter. This is reported to the next meeting of the council. This will be reviewed by the Internal Controller.
4. The Internal Controller, appointed annually by the Council, will complete internal control checks monthly or, if not available, quarterly as a minimum. Any anomalies will be reported to Full Council. (See attached Internal Control Checklist). As the Council has now become paperless with regards to accounts, the form will be completed electronically and uploaded to the Accounts folder for the relevant year on the Google Drive.

Each Meeting:

1. The Clerk/RFO provides a the most recent bank reconciliation to the council.
2. The Clerk/RFO provides a list of payments requiring approval to the council.
3. The Internal Controller reports on the Internal Control checks that have been completed.

Quarterly:

1. The Clerk/RFO provides a quarterly budget summary to the council showing year to date expenditure against budget.

Annually:

1. The Council must consider appointing an internal auditor for the current financial year.
2. The Clerk provides a summary of the year's expenditure to date alongside draft budget figures for the following financial year at the November meeting. Councillors will review the figures and make suggestions for alterations to the draft budget.
3. The Clerk will make the alterations to the draft budget and present a revised draft at the January meeting. Councillors will review the draft budget, make any necessary changes, then agree the draft budget and precept figures for the following financial year.
4. Following the end of the financial year on 31st March, the Clerk will complete the year end finances and prepare the necessary documentation to be provided to the internal auditor.
5. Once the internal audit is complete, the Clerk will ensure that a review of the internal audit report will be included on the agenda prior to the completion of the Annual Governance and Accountability Return (AGAR).

General

1. The Council does not keep any cash.
2. The Clerk is not a signatory and keeps the chequebook.
3. Cheques are signed by 2 Councillors.
4. Online payments are made by the Clerk, as administrator, and are subject to dual authorisation by two appointed signatories.

Internal Controls Checklist

Checks completed by:		Date:	
Month:	Quarter:	Year:	

Monthly Checks:

Task	Completed	Comments
Bank statement reviewed		
Bank reconciliation completed		
Bank reconciliation matches bank statement		
All payments and receipts listed		
Monthly payroll completed and pension contribution paid		

Quarterly Checks:

Task	Completed	Comments
Quarterly HMRC PAYE submission completed and paid		
Quarterly budget summary reviewed by council		

Yearly Checks:

Task	Completed	Comments
Annual VAT refund received		
Annual risk assessment agreed by council		

Additional Comments: