

INTERNAL FINANCIAL CONTROL SYSTEM

Description	Controls and working practices employed	Frequency	Responsibility
Petty Cash	There is no cash used	-	-
Cheques	<p>No pre-signed cheques are ever held. There are seven authorised signatories for the Unity Trust Bank account</p> <p>Two signatures are required per cheque. The stubs are also initialled by the signatories. All issued cheques are checked against invoices by a Councillor who also initials the invoice. All payments are reported at Full Council meetings and listed in the Minutes.</p> <p>Invoices that require settlement between Full Council meetings are submitted for checking and authorisation to two Councillors (signatories). Spot checks are made by the Internal Auditor</p>	<p>All payments are checked on a monthly basis at the Full Council meeting.</p> <p>When required</p>	<p>The Clerk ensures that all invoices are prepared for payment and the checks are made by a designated Councillor at the Full Council meeting</p> <p>Internal Auditor</p>
Direct Debits (DD)	The payments are distinguished from cheques and listed at Full Council and included in the Minutes	When the payment is due	The Clerk
Standing Orders	Standing Orders are input in to bank payment system and approved by two authorised Councillors. Any changes to S/O should be approved by the Finance Committee or Full Council and can then be amended and authorised.	When required	The Clerk

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<p>Electronic Transfer Payments</p>	<p>The Clerk inputs a payment(s) into the Unity Trust Bank system using passwords and codes known only to them. The Clerk emails the signatories with a list of payments and reason for payment. Two of the seven signatories then authorise the payments using passwords and codes known personally to each of them. If there is any doubt about a payment the Councillor should refer back to the Clerk or cancel the payment. All payments are listed in the minutes of the following Full Council Meeting.</p> <p>In accordance with Standing Orders – Financial regulations the authorisation to make electronic payments will be renewed by resolution of the Parish Council every two years.</p>	<p>When required</p> <p>Every two years</p>	<p>The Clerk and Councillors that are authorised signatories</p> <p>The Clerk, Finance Committee and Full Council</p>
<p>Credit Card</p>	<p>It is recognised that not all payments can be made by cheque or electronic transfer and some payments require a debit or credit card. This facility allows for the correct VAT claim procedure. The Clerk is issued with a Master card that has a pre-authorised spending limit and the card will not allow this amount of money to be exceeded. All expenses incurred on the card will be detailed to full council and balances are paid in full, monthly by direct debit.</p>	<p>When required</p> <p>Monthly</p>	<p>The Clerk</p>

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Expenses	<p>Councillors are allowed travel expenses. Any other expenses claimed by a Councillor requires prior authorisation by the Finance Committee or Full Council. Any claim for expenses by a Councillor is submitted in writing to the Clerk.</p> <p>The Clerk is allowed travel expenses. Any other expenses claimed by the Clerk requires prior authorisation by the Finance Committee or Full Council. The Clerk submits a claim in writing for their mileage.</p>	<p>Claims are normally made on the attendance at training</p> <p>As required</p>	<p>It is the Clerk's responsibility to check any claims</p> <p>The Clerk's monthly claims are checked by a Councillor</p>
Pre Authorised Expenditure	<p>The Clerk has authority to incur any item of expenditure up to £200. Any two of the Chairman, the Vice Chairman and the clerk have the authority to incur any expenditure up to £500 where it is in their view necessary or desirable to act without delay.</p> <p>The Chairman's allowance is to be used at the discretion of the Chairman</p>	<p>As required</p> <p>As required</p>	<p>The Clerk</p> <p>The Chairman, Vice-Chairman or clerk</p> <p>The Chairman (Usually in discussion with the Clerk)</p>
Bank Accounts	<p>The Parish Council has two bank accounts - current account at Unity Trust Bank and at the Co-Op Bank.</p> <p>It also has an account with the Cambridge Building Society, which is used as a deposit account only, to safe guard any amounts over £85,000 in the other two accounts.</p> <p>Balances are provided to Full Council on a monthly basis and to the Finance Committee when it meets.</p> <p>The Accounts are checked by the Internal Auditor and submitted on the Annual Return to the</p>	<p>Monthly</p> <p>Monthly</p> <p>Annually</p>	<p>The Clerk and designated Councillor who initials that the accounts</p> <p>balance as seen</p> <p>The Clerk</p> <p>Internal Auditor</p>

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	External Auditor	Annually	External Auditor
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Description	Controls and working practices employed	Frequency	Responsibility
VAT	A computerised report is submitted every year to HMRC The funds are received by BACS payment direct into the Parish Council's Unitytrust account.	Annually	The Clerk
Salaries and PAYE	Salary scales agreed annually by Full Council in accordance with National Association of Local Councils and calculated pro rata to agreed hours worked per 37 hour week (currently 25 for the Clerk). Deductions for Tax, NI and Employer's NI are calculated using HMRC software and the salary and pension are paid monthly. The pension payments to NEST. Employees tax, NI and employees NI is paid monthly to HMRC by cheque. Employment contracts are reviewed.	Annually Monthly Monthly Annually	Prepared by the Clerk and checked by the Full Council The Clerk The Clerk Checked by two Councillors
Invoicing process	All work carried out on behalf of the Parish Council is authorised before either by a contract or by a firm quotation. All invoices are paid on a monthly basis and are checked by a Councillor (see cheques).	Monthly	The Clerk and Councillor
Bank reconciliation	Monthly reconciliation between bank statements and the accounts are carried out by the Clerk to ensure accuracy. A form of accounts is produced at the monthly Full Council meeting and two Councillors initials the statements to confirm that it has been seen and agreed.	Monthly	The Clerk and two Councillors

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Budgetary controls	<p>Quarterly summaries of budget and expenditure to date are provided to members of the Finance Committee.</p> <p>Decisions on project expenditure may be made formally at meetings of the Finance Committee up to £2,000 or by email up to £500.</p> <p>All expenditure above £2,000 is decided by Full Council and minuted. The clerk advises Councillors of the impact of any expenditure on the budget. There is no requirement for the Council to keep expenditure strictly within budget but every endeavour is made to ensure this is generally the case.</p>	<p>Quarterly</p> <p>As and when meetings are held or when required by email</p> <p>As required</p>	<p>The Clerk and members of the Finance Committee</p> <p>Finance Committee</p> <p>Full Council</p>
Internal Audit	The Internal Auditor reviews procedures and makes spot checks on financial payments and systems and reports to Full Council	Annually	Internal Auditor
Insurance	<p>Insurance is renewed annually and since April 2013 is on a three year rolling contract which has reduced the premium. When the insurance is up for renewal at least one other quote is sought to ensure value.</p> <p>The Insurance Company is advised of any changes to assets and the policy is changed accordingly.</p>	<p>Annually or when assets change</p> <p>As required</p>	<p>Clerk</p> <p>Clerk</p>
Risk Management	The Internal Financial Control System is reviewed annually	Annually	Clerk and Full Council