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# INTERNAL FINANCIAL CONTROLS POLICY

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Pirton Parish Council

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Adopted: 6 May 2021

Doc025.

Chairman: J Rogers

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<b>Re-Assessed (date)</b>	<b>Signed (Chairman)</b>
06.05.2021	J Rogers
12.05.2022	J Rogers
11.05.2023	J Rogers
09.05.2024	J Rogers
08.05.2026	J Rogers
14.05.2026	J Rogers; paragraph relating to direct debit payments included in General

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### 1. Background

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

### 2. The Policy

Pirton Parish Council carries out the following internal control procedures:

#### **Monthly:**

1. The Clerk/RFO forwards a bank reconciliation, showing agreement between the bank balance and cashbook amounts and a summary of the Council's financial status.
2. The Clerk/RFO forwards a financial review showing year to date expenditure against budget (Net Position).
3. The Clerk/RFO forwards a list of payments due and receipts received.
4. The full Council reviews the documents listed above at every meeting.
5. All payments are approved at Council meetings where a quorum of Councillors is present unless an emergency payment is required / regular payment – in which case the Council will follow the procedures in the Council's approved Financial Regulations.
6. At least quarterly, the Clerk/RFO will present the bank statements for the previous 3 months for signing by the Chairman.
7. An Internal Control Officer (currently the Chairman), appointed annually by the Council, will complete internal control checks quarterly as a minimum. Any anomalies will

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be reported to full Council immediately. (See attached internal control template).

### **Quarterly:**

1. The Clerk/RFO will circulate a budget versus spend document showing where the Council's finances are with regard to the approved budget. This document will be approved by full Council.

### **Annually:**

1. At the annual budget review meeting in November, the full Council checks that:
  - a. All anticipated income is received
  - b. Expenditure is broadly in line with budgets
  - c. VAT is reclaimed at least annually.
  - d. The budget / precept request for the following year is in line with anticipated expenditure.
  - e. Any financial anomalies are resolved with the Clerk/RFO.
  - f. Financial Regulations and Risk Assessments are reviewed annually, updated as required and approved by full Council.
  - g. The Council appoints and uses the internal audit (IA) services of a competent and independent auditor, who checks that the Council's internal controls are adequate and working effectively. The IA is conducted annually as a minimum and the Audit Report forms part of the Annual Return.

### **General:**

The Council does not keep any cash and has no petty cash.

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The Clerk is the bank account main administrator, keeps the cheque and paying-in books, but cannot authorise payments independently.

Cheques are signed by two Councillors and the counterfoil initialled.

Online payments made by the Clerk as administrator are subject to dual authorisation by two appointed signatories.

Forms to set up a direct debit payment are signed by two Councillors.

Agendas for meetings are posted in the relevant folder on the website 3 clear days before the meeting, with financial summaries being uploaded within 3 working days following the meeting.

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### Pirton Parish Council Internal Control Checklist

**Date:**

**Venue:**

**Present:**

All completed inspections must be handed to the Clerk for filing and retained for a period of 12 months.

<b>TASK</b>	<b>SEEN Y/N</b>	<b>IF NO THEN COMMENT REQUIRED</b>	<b>COMPLETED</b>
<b>FINANCIAL</b>			
All Bank Statements Filed			
Bank Reconciliation for current a/c completed for previous month			
Payments up to date			
Receipts up to date			
Date of last VAT refund			

<b>TASK</b>	<b>SEEN Y/N</b>	<b>IF NO THEN COMMENT REQUIRED</b>	<b>COMPLETED</b>
<b>PAYROLL / STAFF</b>			
Monthly Payroll completed			
Payments made online in accordance with terms set			
Tax and NI up to date			

<b>TASK</b>	<b>SEEN Y/N</b>	<b>IF NO THEN COMMENT REQUIRED</b>	<b>COMPLETED</b>
<b>MINUTES</b>			
Minutes signed, dated and filed from previous month			

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<b>TASK</b>	<b>SEEN Y/N</b>	<b>IF NO THEN COMMENT REQUIRED</b>	<b>COMPLETED</b>
<b>MISCELLANEOUS</b>			
Website up to date			
Noticeboards up to date			
Financial Risk assessments up to date			

<b>GENERAL COMMENTS / RECOMMENDATIONS</b>

**Audit Completed:**

Clerk:

Date: