

Compton Parish Council

Internal Controls Policy and Procedure



Version number	1.0	Minute reference	22/23-071
Adopted by	Full Council	Review due	AMPC May
Date adopted	4 th July 2022		

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.

The Internal Controller, appointed annually by the Council, will complete internal control checks monthly or, if not available, quarterly as a minimum, according to this Internal Controls Checklist given in this document. The Internal Controller will report the completion of the checks, and any anomalies that may require action by the Council, at the next Council meeting.

The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.

Compton 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 month. 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 Council's Google Drive.

Each Meeting:

1. The Clerk/RFO provides 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 the budget.

Annually:

1. The Council must consider appointing an internal auditor for the current financial year each May.
2. The Council will review this policy and that the Council has an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.
3. The Clerk provides a summary of the year's expenditure to date alongside draft budget figures for the following financial year at the December meeting. Councillors will review the figures and make suggestions for alterations to the draft budget.
4. 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.
5. 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.
6. 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. Any received will be banked as soon as is practicable.
2. The Clerk is not a signatory and keeps the chequebook.
3. Where used, cheques are signed by 2 Councillors.
4. Online payments are preferred, are made by the Clerk, as administrator, and are subject to dual authorisation by two appointed signatories.

Compton Parish Council

Internal Controls Checklist



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

Monthly Checks:

Task	Yes, No, N/A	Comments
Bank statement reviewed		
Bank reconciliation completed		
Bank reconciliation matches bank statement		
All payments and receipts listed		
Monthly payroll completed, pension contribution (Berks Pension Fund) and PAYE (HMRC) paid		
Monthly bank reconciliation presented to council & date of last one		
Monthly payment schedule presented to council & date of last one		
All account transfers reported to council on Finance Report		
Previous Internal Controls check reported to council & date of last one		

Quarterly Checks:

Task	Yes, No, N/A	Comments
Quarterly budget summary reviewed by council & date		

Yearly Checks:

Task	Yes, No, N/A	Comments
Annual VAT refund received		
Annual risk assessment agreed by the council		

Annual review by the Council to ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.		
---	--	--

Additional Comments:
