

## **Internal Control Frostenden, Uggeshall & South Cove Grouped Parish Council Reviewed May 2023**

### Proper bookkeeping

- Is the cashbook maintained and up to date?
  - Is the cashbook arithmetic correct?
  - Is the cashbook regularly balanced?
- a) standing orders and financial regulations adopted and applied;
- Has the council formally adopted standing orders and financial regulations?
  - Has a Responsible finance officer been appointed with specific duties?
  - Have items or services above the de minimus amount been competitively purchased?
  - Are payments in the cashbook supported by invoices, authorised and minuted?
  - Has VAT on payments been identified, recorded and reclaimed?
  - Is s137 expenditure separately recorded and within statutory limits?

### Risk management arrangements

- Does a review of the minutes identify any unusual financial activity?
- Do minutes record the council carrying out an annual risk assessment?
- Is insurance cover appropriate and adequate?
- Are internal financial controls documented and regularly reviewed?

### Budgetary Controls

- Has the council prepared an annual budget in support of its precept?
- Is actual expenditure against the budget regularly reported to the council?
- Are there any significant unexplained variances from budget?

### Income Controls

- Is income properly recorded and promptly banked?
- Does the precept recorded agree to the Council Tax authority's notification?
- Are security controls over cash and near-cash adequate and effective?

### Petty cash procedures N/A

- Is all petty cash spent recorded and supported by VAT invoices/receipts?
- Is petty cash expenditure reported to each council meeting?
- Is petty cash reimbursement carried out regularly?

### Payroll Controls

- Do all employees have contracts of employment with clear terms and conditions?
- Do salaries paid agree with those approved by the council?
- Are other payments to employees reasonable and approved by the council?
- Have PAYE/NIC been properly operated by the council as an employer?

### Assets controls

- Does the council maintain a register of all material assets owned or in its care?
- Are the assets and Investments registers up to date?
- Do asset insurance valuations agree with those in the asset register?

### Bank Reconciliation

- Is there a bank reconciliation for each account?
- Is a bank reconciliation carried out regularly and in a timely fashion?
- Are there any unexplained balancing entries in any reconciliation?
- Is the value of investments held summarised on the reconciliation?

### Year-end

procedures

- Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?
  - Do accounts agree with the cashbook?
  - Is there an audit trail from underlying financial records to the accounts?
  - Where appropriate, have debtors and creditors been properly recorded?
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- Payments made by cheque agreed by full Council signed by two authorised signatories, listed on agendas and minutes
  - Payments made by BACS agreed by full Council, payment set up by RFO and authorised on line by one of two authorised Councillors. Listed on agendas and minutes