

TOLLESHUNT MAJOR PARISH COUNCIL

INTERNAL FINANCIAL CONTROLS POLICY

This policy was adopted at the Council's meeting dated 2.8.2022 and recorded as Minute Reference 4569.22

Date of review: July 2023

Introduction

The Responsible Financial Officer (RFO) is responsible for the proper administration of the day to day financial affairs of the Council. However it falls to the members of the Council to exercise a proper and reasonable degree of control over financial matters.

The Council's finances are governed by its Financial Regulations which are reviewed by the full Council on an annual basis. They are also covered by the Risk Assessment policy which again is reviewed annually.

The policy

The following internal control procedures are carried out on a **monthly** basis:

1. Accounts which are due for payment are listed on the agenda for each meeting. Agendas are published on the Council's website and notice board within the correct time scale.

The approved minutes of each meeting also list the payments which have been authorised. These minutes are then published on the Parish Council website and notice board.

2. At each monthly meeting the clerk/RFO presents to members of the Council a copy of the accounts spreadsheet, a budget versus expenditure report and a bank reconciliation statement.

The bank reconciliation shows an agreement between the bank balance and cashbook amounts and a summary of the Council's financial status.

3. The full Council reviews the documents listed in 2 above at every monthly meeting.

4. All payments are approved by the full Council where a quorum of Councillors is present.

The clerk is the bank account main administrator, keeps the cheque and paying in books, but is not a signatory to the Council's account.

Three Councillors are signatories to the Council's account, with any two authorised to sign at the meeting. At the same time supporting invoices are initialled by the two signatories .

If an emergency payment is required between meetings the Council will follow the procedures set out in the approved Financial Regulations.

5. At each monthly meeting the clerk/RFO presents the most recent bank statement for signing by the Chair of the Council. The Council considers the full financial implications of any actions it wishes to take or any improvements or works planned in the village within its budget or any other funding available.

Annually:

During the months of November to January the Council carries out its budget review in order to set the budget for the forthcoming year. This includes checks that:

1. All anticipated income is received.
2. Expenditure is broadly in line with the budget.
3. VAT is reclaimed at least annually.
4. The budget/precept request for the following year is in line with anticipated expenditure.

In line with current external audit requirements as set out by the Smaller Authorities' Audit Appointments Ltd the Council appoints and uses the services of a competent and independent internal auditor, who checks that the Council's internal controls are adequate and working effectively. This audit report forms part of the Annual Return.

The Council complies fully with the requirements for the annual audit of accounts as set out by the external auditor, and all necessary documents are published on the Council's website within the correct time scale.