

THE BOURTONS PARISH COUNCIL

INTERNAL CONTROLS POLICY

Background

Due to an increased incidence of fraud by a small number of Parish Councils, the National Association of Local Councils and the Oxfordshire Association of Local Councils have suggested that an Internal Controls Policy should be introduced by each Parish Council. This Council already has references and instructions in our annually reviewed Financial Regulations, but recognise that improvements can be made and the policy below and the associated check list are being introduced.

Objective

To safeguard the council's funds and to minimise risk.

Monitoring

On a regular basis, at least once each quarter, a member other than the Chairman or a cheque signatory, shall be appointed to verify bank reconciliations for all accounts produced by the Council's RFO. The member shall review the reconciliations, the original bank statements and supporting invoices and sign the accompanying checklist as proof of audit. This activity when done will be reported, and minuted.

Any errors will be identified to the Clerk and/or the RFO and be rectified prior to being reported to Council.

Internal Controls Checklist

Payments	Yes	No	Comment
<p>Original bank statements cross referenced to entries in the cashbook spreadsheet and supporting documents.</p> <p>Months checked in this audit :</p>			
Invoices seen and correct. Invoices should be signed by signatories and initialled by RFO			
All cheque payments authorised by two signatories and stubs initialled			
Salaries	Yes	No	Comment
PAYE paid quarterly on time			
PAYE payments agree to payroll and agree to bank statement			
Budget Control	Yes	No	Comment
All payments entered into the cashbook/system accurately.			
Financial report [FIN REP] presented monthly to Parish Council Meeting			
All payments within budget or formally agreed by Council			
S137 is accounted for separately			

VAT	Yes	No	Comment
There is a separate VAT column on the accounting spreadsheet/system.			
The VAT is reclaimed regularly annually?			
Receipts	Yes	No	Comment
Receipts are correctly recorded in the cashbook spreadsheet			
Receipts are reconciled against original bank statements			
Receipts to Parish Council are reported on the FIN REP monthly			
A reconciliation of accounts is presented to council quarterly			

Review Date :

Reviewed By :

Clerk/RFO :