TOLLESHUNT KNIGHTS PARISH COUNCIL

INTERNAL FINANCIAL CONTROLS POLICY

This policy was adopted at the Council's meeting dated 19.1.2026 and recorded as Minute Reference 3965/01

Date of review: January 2027

Introduction

The Responsible Financial Officer (who is also the Parish Clerk) 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 financial report for each meeting.

2. The approved minutes of each meeting will also list the payments which have been authorised. These minutes are then published on the Parish Council website and notice board. In the Minutes it is noted that the clerk has examined the list of payments to be made and these are verified and certified against invoices where present.

3. At each monthly meeting the clerk/RFO presents to members of the Council a copy of the updated 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. Councillors also receive a copy of the latest bank statement.

4. The full Council reviews the budget v expenditure report and financial report at every monthly meeting, and a Councillor (not the chair of the meeting) initials the bank statement as a correct record.

5. The Parish Council now makes the majority of its payments via on line banking. The clerk is the bank account's main administrator and keeps the cheque and paying in books and all other financial records.
   All payments are approved by the full Council where a quorum of Councillors must be present.

   The Parish Council now has four signatories to the account – three Councillors and the parish clerk. Prior to the meeting the clerk posts up on the on line banking all payments that are to be approved at the meeting.

   At the meeting the full Council authorises the payments and the invoices are inspected and signed by two of the three Councillor signatories. One councillor signatory is then authorised to approve the payments on line and the clerk will then check that the payments have been made.
   In the event that a payment is authorised to be made by cheque the above procedures apply but the cheque is signed by two of the three councillor signatories.

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

6. At each monthly meeting the clerk/RFO presents the most recent bank statement for signing by a Councillor other than the Chair. 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 every six months.

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 carefully considers the report and any action that the internal auditor recommends. This, and any resulting action, will be minuted.

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