

# **Besthorpe Parish Council Internal Control Policy and Procedure**

Adopted at Parish Council  
Meeting of 13th November 2017

Created By R J Watling – Parish Clerk

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# **Besthorpe Parish Council Internal Control Policy & Procedure**

Internal Control Internal Control means the systems in place to maintain good financial governance. The Responsible Financial Officer has legal responsibility to ensure that proper internal controls are set up and maintained. These controls ensure that all income due is received; all expenses are properly authorised; books are maintained including regular bank reconciliations; income and expenditure are in accordance with budgets. The full requirements are set out within the Accounts and Audit Regulations 2014 and explained within Governance and Accountability for Local Councils, the Practitioner's Guide March 2016. Besthorpe Parish Council has a number of systems in place to support and manage internal control.

- Internal control checks: a quarterly review of financial accounts by an appointed Councillor, which is documented and reported to full council.
- Independent internal auditor: appointed sector professional who carries out an annual audit and presents a written report to council, ahead of Annual Return completion.
- Monthly reporting of finances: income & expenditure, actual against budget and monthly current account balance, supplied as an extract from accounting records.

1 Internal Control Officer The internal control officer should carry out internal control checks on a quarterly basis. The named officer should not be a main signatory to the accounts of the council. The named officer is appointed from the membership of council at the Annual Meeting of the Parish Council. Internal Control Checks cover all financial activities of the Council over the whole of the financial year, on a sample basis.

Check 2 (second quarter of the financial year) i.e. July- September. Check 3 (third quarter of the financial year) i.e. October-December. Check 4 (fourth quarter of the financial year) i.e. January – March Regular activity checks , All checks will inspect at least three payments and receipts during the quarter. Payments should be checked as follows: Account total correct and accompanied by supporting order/letter. Voucher countersigned by cheque signatories. The payment has been advised to Council and authorised. Receipts should be checked as follows: Is the amount correct? Has the amount has been banked promptly? Was the amount advised to Council and agreed?

2 Independent Internal written report is presented and considered by Council as part of their complete review of internal controls. This happens in May, once the year end accounts have been closed and before the Annual Return (statutory document) has been completed. This internal audit informs the Annual Return.

3 Bi Monthly financial reporting The RFO presents a bi monthly report of all income, expenditure and variances against budget to full council.

## **Associated Documents**

Financial Regulations

Standing Orders

Internal Control Form