

INTERNAL FINANCIAL CONTROL SYSTEM

Description	Controls and working practices employed	Frequency	Responsibility
Petty Cash	There is no cash used	-	-
Cheques	<p>No pre-signed cheques are ever held. There are five authorised signatories for the Unity Trust Bank and three for the Cambridge BS Account</p> <p>Two signatures are required to authorise each payment. Two signatures are required to authorise each cheque. The stubs are also initialled by the signatories. All issued cheques are checked against invoices by a Councillor who also initials the invoice.</p> <p>Payments are reported at Full Council meetings and listed in the Minutes.</p> <p>Invoices that require settlement between Full Council meetings are submitted for checking and authorisation to two Councillors (signatories).</p> <p>Spot checks are made by the Internal Auditor</p>	<p>All payments are checked on a monthly basis at the Full Council meeting.</p> <p style="text-align: center;">When required</p>	<p>The Clerk ensures that all invoices are prepared for payment and the checks are made by a designated Councillor at the Full Council meeting</p> <p style="text-align: right;">Internal Auditor</p>
Direct Debits (DD)	The payments are distinguished from cheques and listed at Full Council and included in the Minutes	When the payment is due	The Clerk

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Expenses	<p>Councillors are allowed travel expenses.</p> <p>Any other expenses claim by a councillor requires prior authorisation by the Finance Committee or Full Council.</p> <p>Any claim for expenses by a Councillor is submitted in writing to the Clerk</p>	<p>Claims are normally made on the occasion of an unusual expense (e.g. attendance at training).</p> <p>The Clerk submits a claim in writing for their mileage.</p>	<p>It is the Clerk's responsibility to check any claims.</p> <p>The Clerk's monthly claims are checked by a Councillor.</p>
Pre Authorised Expenditure	<p>The Clerk has authority to incur any item of expenditure up to £500. Any two of the Chairman, the Vice Chairman and the Clerk have the authority to incur any expenditure up to £1000 where it is in their view necessary or desirable to act without delay.</p> <p>The Chairman's allowance is to be used at the discretion of the Chairman</p>	<p>As required</p> <p>As required</p>	<p>The Clerk</p> <p>The Chairman, Vice-Chairman or clerk</p> <p>The Chairman (Usually in discussion with the Clerk)</p>
Bank Accounts	<p>The Parish Council has;</p> <p>A Unity Trust Bank Account, a Cambridge Building Society Accounts and an account at the Hampshire Trust.</p> <p>Balances are provided to Full Council on a monthly basis and to the Finance Committee when it meets.</p> <p>The Accounts are checked by the Internal Auditor and submitted on the Annual Return to the External Auditor</p>	<p>Monthly</p> <p>Monthly</p> <p>Annually</p> <p>Annually</p>	<p>The Clerk and designated Councillor who initials that the accounts balance as seen</p> <p>The Clerk</p> <p>Internal Auditor</p> <p>External Auditor</p>
VAT	<p>A computerised report is submitted every year to HMRC</p> <p>The funds are received by BACS payment direct into the Parish Council's current account.</p>	<p>Annually</p>	<p>The Clerk</p>

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Salaries and PAYE	Salary scales agreed annually by Full Council in accordance with National Association of Local Councils and calculated pro rata to agreed hours worked per 37 hour week (currently 25 for the Clerk and 10 hours for the Deputy Clerk). Deductions for Tax, NI and Employer's NI are calculated using HMRC software (Due to be outsourced in April 2021). Salaries are paid monthly by electronic transfer. Employees tax, NI and employees NI is paid monthly to HMRC by bank transfer. NEST is used for pension savings, 3% from RPC and 5% from Clerk and Deputy Clerk. This is paid by DD Employment contracts are reviewed.	Monthly	Prepared by the Clerk and checked by the Full Council
		Monthly	The Clerk
		Monthly	The Clerk
		Annually	Checked by two Councillors
Invoicing process	All work carried out on behalf of the Parish Council is authorised before either by a contract or by a firm quotation. All invoices are paid on a monthly basis and are checked by a Councillor (see cheques).	Monthly	The Clerk and Councillor
Bank reconciliation	Monthly reconciliation between bank statements and the accounts are carried out by the Clerk to ensure accuracy. The statements and a form of accounts are then produced and a councillor Councillor initials the statements to confirm that it has been seen and agreed.	Monthly	The Clerk and a Councillor

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Budgetary controls	<p>Quartly summaries of budget and expenditure to date are provided to members of the Finance Committee.</p> <p>Decisions on project expenditure may be made formally at meetings of the Finance Committee up to £2,000 or by email up to £1000.</p> <p>All expenditure above £2,000 is decided by Full Council and minuted. The Clerk advises Councillors of the impact of any expenditure on the budget. There is no requirement for the Council to keep expenditure strictly within budget but every endeavour is made to ensure this is generally the case.</p>	<p>Monthly</p> <p>As and when meetings are held or when required by email</p> <p>As required</p>	<p>The Clerk and members of the Finance Committee</p> <p>Finance Committee</p> <p>Full Council</p>
Internal Audit	<p>The Internal Auditor reviews procedures and makes spot checks on financial payments and systems and reports to Full Council</p>	<p>Annually</p>	<p>Internal Auditor</p>
Insurance	<p>Insurance is renewed annually and from December 2020 is on a three year contract which has reduced the premium. When the insurance is up for renewal at least one other quote is sought to ensure value. The Insurance Company is advised of any changes to assets and the policy is changed accordingly.</p>	<p>Annually or when assets change</p> <p>As required</p>	<p>Clerk</p> <p>Clerk</p>