

# **BRIGHTWELL, FOXHALL & PURDIS FARM GROUP PARISH COUNCIL**

## **Internal Audit Procedures**

Brightwell, Foxhall & Purdis Farm Group Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances.

### **GENERAL**

An internal financial audit will be carried out four times a year (January, April, July and October) in the case of day-to-day financial procedures and January (prior to internal/external audit) in the case of yearly procedures.

### **BOOKKEEPING**

1. All cheques must to be signed by two signatories and all cheque counterfoils and supporting invoices must be initialled by those signatories.
2. Bank reconciliation for each account to be carried out monthly by the Clerk.
3. Bank statement entries must be initialled to indicate that bank reconciliation has taken place.
4. Bank accounts – there are two accounts, current and deposit account. To maximise interest, transfers from the deposit account to the current account should only be made when required.
5. Accounts to be maintained monthly and the following points checked:
  - a. Accounts arithmetically correct.
  - b. All payments in the accounts are supported by invoices, authorised and minuted.
6. S137 expenditure must be separately recorded and within statutory limits.
7. The VAT on payments should be identified and recorded. The VAT should be claimed at the earliest opportunity and at least within the three year time limit.
8. The on-line cash book must agree with the Parish Council minutes and the bank statements.
9. There must be an audit trail from underlying financial records to the accounts.
10. Where appropriate, debtors and creditors must be properly recorded.

### **RISK MANAGEMENT**

1. The minutes should be reviewed to identify any unusual financial activity.
2. The minutes should record the Parish Council carrying out an Annual Risk Assessment.
3. The insurance cover must be appropriate and adequate.
4. The internal financial controls must be documented and reviewed in line with the General Internal Audit Procedure.

### **BUDGETARY CONTROLS**

1. The Parish Council must prepare an annual budget in support of its precept.
2. The minutes must record the Parish Council formally agreeing and accepting the budget.
3. The Clerk must ensure that the actual expenditure against the budget is regularly reported to the Parish Council.
4. The income must be properly recorded and banked.
5. The precept recorded must agree with the Suffolk Coastal District Council's notification.

### **PAYROLL CONTROL**

1. The Clerk's Contract of Employment has clear terms and conditions of employment.
2. The salaries paid, must agree with those approved by the Parish Council.
3. Other payments paid to the Clerk must be reasonable and approved by the Parish Council.

### **ASSET CONTROLS**

1. The Parish Council Asset Register of all material assets must be maintained and up-to-date.
2. The asset insurance valuations must agree with those in the asset register and be reviewed annually.

### **YEAR-END PROCEDURES**

1. The year-end accounts must be prepared on the correct accounting basis.
2. Following the External Audit, the Parish Council must formally accept the year-end accounts and this acceptance must be in the Parish Council minutes.

Angie Buggs

Clerk to Brightwell, Foxhall & Purdis Farm Group Parish Council

<b>Version No</b>	<b>Issue Date</b>	<b>Re-Issue Date</b>
1	Feb 2012	Feb 2013
2	Feb 2013	Feb 2014
3	Feb 2014	Feb 2015
4	Feb 2015	Feb 2016
5	Feb 2016	Feb 2017
6	Feb 2017	