

**Appendix A – Internal Controls Checklist**

Reviewed by Councillor IAN DAVIS (CHAIR) and Clerk RFO REBECCA BARRY

Date 16TH FEBRUARY 2024

Findings reported to full council date 28TH MARCH 2024 and minute ref NPC24/03/

Area of Control	Control Checks	Comments
<b>The Council Structure / Responsibilities</b>	A Chair is appointed at the annual meeting of the Parish Council in May	Yes
	The Council meets at least four times a year, including annual meeting in May.	Yes - 11 x per year (no meeting in December)
	The Council carry out any relevant risk assessments.	General Assessment of Risk completed 16/02/24
	The Council appoints an internal auditor, and reviews their findings.	Yes - Bill Wooliscroft. Letter of appointment. Internal audit action plan produced and reviewed at every council meeting.
<b>Accounts / Bank reconciliations</b>	The accounts are kept electronically (Scribe Accounts), maintained up to date from original documents (cash received, invoices, payments made and cheques as they are prepared)	Yes - Scribe software (cloud based)
	The accounts are reconciled to the bank statement at least monthly	Yes - monthly. Reconciled by the RFO.
	Reconciled accounts are prepared in advance of each Council meeting	Yes - and financial report reviewed at every council meeting.
	The accounts and bank reconciliation is reviewed and approved by a member of the Parish Council nominated as internal control, at least quarterly	Yes - accounts sent to all cllrs every month. Bank reconciliation checked and approved by the Vice Chair.
	The bank reconciliation is reported to the Parish Council and minuted	Yes - as part of the finance update.
<b>Financial Regulations</b>	The latest financial position and movements on the Parish Council's cash balances are reported at each council meeting and can be traced back to the expenditure approved in the previous meeting via the minutes	Yes - financial report reviewed at every meeting has cash balances.
	The Parish Council has adopted financial regulations, based on the model version prepared by NALC. The regulations are reviewed at least annually for continued relevance and amended where necessary by the RFO with any proposed amendments subject to approval by the Parish Council.	Yes - reviewed April 2023 and again in August 2023 to reflect recently introduced payment controls for internet banking. Scheduled for annual review.
<b>Order/Tender Controls</b>	The Financial Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.	Yes - section 11 'Contracts'
<b>Payment controls</b>	Payments will be entered onto Scribe Accounts	Yes
	All invoices for payment are listed on the meeting agenda, or agenda appendix, where the payment is to be minuted	Yes
	Payments made are listed in the minutes of the meeting. Original invoices are filed and readily available.	Yes
	Cheques will be signed by two councillors, who are authorised to sign as shown on the council's bank mandate.	Yes - but rarely used
	The council has a BACS system in place. The RFO is authorised to set up and approve online payments (in line with Newton & Biggin PC Financial Regulations)	Yes
	The RFO maintains control of the cheque book at all times, cheques will only be issued and signed for payments approved in Council meetings. The RFO will prepare cheques but is not authorised to sign them.	Yes - but rarely used
	When invoices are paid by cheque, they are identified by the cheque number and referenced in the cashbook by the cheque number, as well as by the voucher number. This is cross checked with the bank statements.	Yes - but rarely used
	When invoices are paid by BACS, they are identified by the voucher number which is cross checked with the bank statements.	Yes - identified by a reference.
<b>Legal Powers</b>	The minute number of the minute authorising bank payments or cheques is detailed on each invoice.	Yes
	A proper legal power is identified in advance of any expenditure.	This is only done informally. WALC have confirmed that the legal power does not need to be captured for every payment, although the Clerk noted the power used on the invoice and inputs to Scribe.
<b>Payments made under section 137 of the Local Government Act 1972</b>	The legal power for expenditure is shown on the agenda and minutes for payments made.	No - as above.
	Payments made under section 137 are recorded in Scribe using the flag provided.	No Section 137 payments made by the council since 2012
	Each year the RFO calculates the maximum allowable amount of s137 expenditure and ensures that it is not exceeded – confirmed to the Parish Council when expenditure is considered either by reference to a specific budget for that payment or to the amount of unspent s137 money available	Yes - The Clerk is aware of the maximum allowable amount of expenditure, but no payments have been made using s137 since 2012.
	Requests for expenditure from s137 are made clear on the meeting agendas where the payment is to be approved.	Not applicable - as above
<b>VAT repayment claims (VAT 126)</b>	Each record of expenditure from s137 is properly minuted.	Not applicable - as above
	RFO ensures compliance with VAT notice 749	Yes
	RFO ensures that all invoices are addressed to the Parish Council.	Yes
	RFO ensures that proper VAT invoices are received where VAT is payable.	Yes
<b>Income Controls</b>	RFO maintains a VAT account to show that the correct amount of VAT is reclaimed in the year and submits a claim for repayment quarterly (if over £100).	Yes - captured on Scribe. Quarterly repayment claims submitted and reported to council.
	RFO ensures that amount of the precept received is in accordance with the precept request sent to the District Council.	Yes - and reported to council
	RFO ensures that the precept instalments are received when due.	Yes - April and September / October
	RFO ensures that other receipts (if applicable) are received when due and correctly calculated.	Yes - only other receipts are from grants or Village Hall Committee contributions
	Individually numbered receipts are issued for cash received and a copy kept.	Yes - receipted on Scribe and numbers generated
<b>Financial Reporting</b>	Receipts are recorded in Scribe Accounts when received.	Yes
	Income is banked promptly.	Yes
<b>Budgetary Control</b>	A Budget control, comparing actual receipts and payments to the budget is prepared on at least a quarterly basis, presented to a Parish Council meeting and minuted.	Yes - every council meeting
	The budget is approved by the Parish Council before the end of the financial year preceding the year to which it relates.	Yes - approved in January 2024
<b>Payroll Controls</b>	The precept amount is identified following approval of the budget; the precept demand is issued to the billing authority by the date stipulated by the billing authority and in any case before 1 <sup>st</sup> March at the latest.	Yes - Rugby Borough Council process followed in January 2024
	The Clerk is an employee and the RFO must register the Council with HMRC online; the Council, via RFO is responsible for reporting PAYE & NI monthly.	Yes
	The Clerk's salary is set by the Council and a minute is prepared to show the agreed salary.	Yes - Minuted in November to note updated pay scales from LGA
	The salary is paid by bank transfer following submission of approved timesheet to Payroll provider, and receipt of payslip.	Yes - Time sheet submitted to and approved by the Chair. Payslip received from Cleaver Payroll and then paid via BACS.

	The RFO will ensure that all the necessary payroll returns are made to HMRC and will retain evidence that this has been done.	<i>Yes - HMRC tax paid monthly after receipt of P30 from Cleaver Payroll</i>
	The RFO will act for the Parish Council regarding Pension duties.	<i>Not applicable due to low working hours.</i>
Office and Clerk's Expenses	The Clerk is paid monthly expenses as agreed in contract of employment.	<i>Yes - processed through Cleaver Payroll</i>
	The expenses cover a contribution towards the cost of maintaining an office at the clerk's home and any out of pocket expenses as well as motoring expenses, as laid down by joint SLCC/NALC guidelines	<i>Yes</i>
	Other expenses are paid by BACS and the expense sheet treated as an invoice for accounting purposes	<i>Not applicable - no other expenses claimed</i>
		<i>Yes - reviewed, updated and approved annually. Maintained in Scribe.</i>
Asset Control	The RFO maintains a full asset register	<i>Yes - Now being checked quarterly and reported to council</i>
	The existence and condition of assets is checked on a six-monthly basis by a member of the Parish Council	<i>Yes - separate asset list that splits assets covered by council insurance and assets covered by Village Hall Committee insurance.</i>
	The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal	