



# Astley Village Parish Council

## STATEMENT ON INTERNAL CONTROL

### Internal Control

Astley Village Parish Council is a local authority funded by public money and as such is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, used economically, efficiently and Council effectively.

In meeting this responsibility assurances are required that there is a sound system of internal control and accountability.

Internal controls are designed to ensure that risks are managed to a reasonable and acceptable level forming part of an ongoing process designed to identify and prioritise the risks to the authority's policies, aims and objectives and to evaluate and manage those risks accordingly.

Internal Control	Suggested test	Response
Proper bookkeeping	<ul style="list-style-type: none"> <li>▪ Is the cashbook maintained and up to date?</li> <li>▪ Is the cashbook arithmetic correct?</li> <li>▪ Is the cashbook regularly balance?</li> </ul>	
a) Standing Orders and Financial Regulations b) Payment controls	<ul style="list-style-type: none"> <li>▪ Has the Council formally adopted standing orders and financial regulations?</li> <li>▪ Has a Responsible Financial Officer been appointed with specified duties?</li> <li>▪ Have items or services above a de minimis amount been competitively purchased?</li> <li>▪ Are payments in the cashbook supported by invoices, authorised and minuted?</li> <li>▪ Has VAT on payments been identified, recorded and reclaimed?</li> <li>▪ Is s137 expenditure separately recorded and within statutory limits?</li> </ul>	
Risk management arrangements	<ul style="list-style-type: none"> <li>▪ Does a scan of minutes identify any unusual financial activity?</li> <li>▪ Do the minutes record the council carrying out an annual risk assessment?</li> <li>▪ Is insurance cover appropriate and adequate?</li> <li>▪ Are internal financial controls documented and regularly reviewed?</li> </ul>	
Budgetary controls	<ul style="list-style-type: none"> <li>▪ Has the Council prepared an annual budget in support of its precept?</li> <li>▪ Is actual expenditure against the budget regularly reported to the Council?</li> <li>▪ Are there any significant unexplained variances from budget?</li> </ul>	
Income controls	<ul style="list-style-type: none"> <li>▪ Is income properly recorded and promptly banked?</li> <li>▪ Does the precept recorded in the cashbook agree to the District Council's notification?</li> <li>▪ Are security controls over cash adequate and effective?</li> </ul>	
Reimbursement procedures	<ul style="list-style-type: none"> <li>▪ Is all petty cash spent recorded and supported by VAT invoices/receipts?</li> <li>▪ Is petty cash expenditure reported to each Council meeting?</li> <li>▪ Is petty cash reimbursement carried out regularly?</li> </ul>	
Payroll controls	<ul style="list-style-type: none"> <li>▪ Do salaries paid agree with those approved by the Council?</li> <li>▪ Are other payments to the Clerk reasonable and approved by the Council?</li> <li>▪ Has PAYE/NIC been properly operated by the Council as an employer?</li> <li>▪ Are the 'electronic' salary pay arrangements transparent and authorised?</li> </ul>	
Asset controls	<ul style="list-style-type: none"> <li>▪ Does the Council keep an asset register of all material assets owned?</li> <li>▪ Are the Asset/Investments registers up to date?</li> <li>▪ Do asset insurance valuations agree with those in the asset register?</li> </ul>	
Bank reconciliation	<ul style="list-style-type: none"> <li>▪ Is there bank reconciliation for each amount?</li> <li>▪ Is bank reconciliation carried out regularly on the receipt of statements?</li> <li>▪ Are there any unexplained balancing entries in any reconciliation?</li> </ul>	
Year end procedures	<ul style="list-style-type: none"> <li>▪ Are year-end accounts prepared on the correct accounting basis (R&amp;P)?</li> <li>▪ Do accounts agree with the cash book?</li> <li>▪ Is there any audit trail from underlying financial records to the accounts?</li> </ul>	

AUDITOR NAME: ..... SIGNATURE: ..... DATE: .....