

Felthorpe Parish Council

Chairman: Andrew Cooper

Internal Controls

Description	Controls Employed	Frequency	Responsibility
Petty cash	None used.		
Cheques	No pre-signed cheques are held. There are four authorised signatories for the Bank account (including the Clerk who may not sign her own cheque) and two signatures are required per cheque. The stubs are also initialled by the signatories. All issued cheques are checked against invoices the signatories before signing. All payments are reported at Council meetings and listed in the Minutes. Invoices that require settlement between Full Council meetings are submitted for checking and authorisation to two Councillors (signatories).	All payments are checked on a monthly basis ahead of the Council meeting. As necessary.	The Clerk ensures that: -all invoices are prepared for payment - that checks are made by designated Councillors before the cheques are signed - that the payments are entered in the minutes. All are viewed annually by the internal auditor.
Direct Debits	Direct debits set-ups are authorised in a Council meeting. Payments are reported at Council and listed in the minutes.		
Standing orders	Standing orders are agreed in council meetings and the arrangement form signed by two signatories.	When the payment is due	The Clerk
Online Banking	Online banking is carried out with Unity Trust bank. The Clerk uploads payments to the banking website, with two Councillors required to authorise the payments.	Ongoing	The Clerk ensures that: -all invoices are prepared for payment

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	Invoices are initialled by two Councillors prior to payments being made, and recorded in meeting minutes. Due to no longer meeting monthly, payment are regularly made between meetings. Payments are still authorised by two councillors and reported in the minutes of the next Council meeting. At least four Councillors will be signatories at any time to ensure payments can always be made when required. These Councillors have view access to the bank account. Bank accounts are reconciled monthly with balances reported to Council at each meeting.		- that checks are made by designated Councillors before the cheques are signed that the payments are entered in the minutes. All are viewed annually by the internal auditor
Expenses	Councillors and the clerk are allowed to claim expenses travel expenses upon production of a receipt or invoice. Where possible claims require prior authorisation by the Council. Any claim for expenses must be submitted to the Clerk ten days before the meeting it is to be authorised at.	Monthly, agreement at council meetings.	It is the clerks' responsibility to check councillor claims. Claims by the clerk to be agreed by council.
Pre-authorised expenditure	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 £500 where it is in their view necessary or desirable to act without	As required	The Clerk

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	delay. The Chairman's allowance is to be used at the discretion of the Chairman.	As required	The Chairman
Bank Account	The Parish Council has one bank account, with Unity Trust. Balances are provided to Council on a monthly Basis (on months where meetings are held). Bank accounts are checked by the Internal Auditor and submitted on the Annual Return to the External Auditor. Bank reconciliations are shared with Council at each meeting, and banking signatories can view the accounts online. Checks are made each August / September by the Councillor with the Finance portfolio, and year end by the Internal Auditor.	Monthly. Monthly Annually	The Clerk The Clerk Internal auditor
Salary	Salary scales agreed annually by Council in accordance with National Association of Local Councils and calculated pro rata to agreed hours worked per 37 hour week (currently 4 hours per week for the Clerk). A payroll provider is employed to ensure that accurate deductions for Tax and NI are made. The salary is paid monthly by standing order and is	Annually.	The Clerk / Councillors.

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	increased in line with national payscales.		
VAT	VAT is claimed from HMRC to current guidelines.	When necessary / minimum annually.	The Clerk.
Invoicing	All work carried out on behalf of the Parish Council is authorised before work, either by a contract or by a firm quotation. All invoices are paid on a monthly basis and are checked by a designated Councillor signatory	Monthly	The Clerk and signatories
Bank Reconciliation	Monthly reconciliation between bank statements and the accounts are carried out by the Clerk to ensure accuracy and circulated to Council as part of the cashbook. Seen by the internal auditor before audit sign off.	Monthly Annually	The Clerk. Internal auditor.
Internal Audit	The Internal Auditor reviews procedures and makes spot checks on financial payments and provides a written report to council (see also separate Review of Internal Audit policy).	Annually	Internal auditor.
Insurance	Insurance is renewed annually by the Clerk and Councillor with Finance portfolio, and agreed by councillors. The Insurance Company is advised of any changes to assets and the policy is changed accordingly	Annually or when assets change.	Clerk and councilors.

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Risk Assessment	Risk Assessments are carried out annually by the appointed councillor. The checks cover finance, assets and any other activity deemed necessary.	Annually	Appointed councilor
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Next review May 2026