**ABENBURY COMMUNITY COUNCIL INTERNAL FINANCIAL CONTROLS 2024-25**

The Governance and Accountability in Local Councils in England and Wales Guide has identified ten key tests and they are set out below. What happens at Abenbury Community Council is indicated in the last column. These tests are approved annually by the Community Council. If the Community Council is satisfied, they should be approved again this year.

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| **ACTION** | **QUESTION- REGULATION** | **ANSWER** |
| Proper Bookkeeping | Is the Cashbook maintained and up to date  Is the Cashbook arithmetic correct  Is the Cashbook regularly balanced | Yes Monthly  Yes Monthly  Yes Monthly |
| 1. Standing Orders and Financial Regulations adopted and applied and 2. Payment controls | Has the Council formally adopted standing orders and Financial Regulations?  Has a Responsible Financial Officer been appointed with specified duties?  Have items or services above a de minimis amount been competitively purchased?  Are payments in the cashbook supported by invoices, authorised & minuted?  Has VAT on payments been identified, recorded and reclaimed? | Yes  Yes  Yes When necessary  Yes Monthly  Yes monthly & reclaimed regularly |
| Risk Management arrangements | Would a scan of the minutes identify any unusual financial activity  Do the minutes record the Council carrying out an annual risk assessment?  Is insurance cover appropriate and adequate?  Are internal financial controls documented and regularly reviewed? | No  Yes  Yes  Yes Annually |
| Budgetary Controls | Has the Council prepared an annual budget in support of its precept?  Is actual expenditure against the budget regularly reported to the Council?  Are there any significant unexplained variances from budget? | Yes  Yes quarterly  No |
| Income Controls | Is income properly recorded and promptly banked?  Does the precept recorded in the cashbook agree to the District Council’s notification?  Are security controls over cash adequate and effective? | Yes  Yes  Yes |
| Petty Cash Procedures |  | The Council does not operate a petty cash system |
| Payroll Controls | Do salaries paid agree with those approved by the Council?  Are other payments to the Clerk reasonable and approved by the Council?  Has PAYE/NIC been properly operated by the Council as an employer? | Yes  Yes  Yes |
| Asset controls | Does the Council keep an Asset Register of all material assets owned?  Are the Asset/Investment Registers up to date?  Do asset insurance valuations agree with those in the asset register? | Yes  Yes.  Yes |
| Bank reconciliation | Is there bank reconciliation for each account?  Is bank reconciliation carried out regularly on the receipt of statements  Are there any unexplained balancing entries in any reconciliation? | Yes  Yes Monthly  No |
| Year-end procedures | Are year-end accounts prepared on the correct accounting basis (Receipts & Payments/Income & Expenditure)?  Do accounts agree with the cashbook?  Is there an audit trail from underlying financial records to the accounts?  Where appropriate, have debtors and creditors been properly recorded? | Yes  Yes  Yes  No, a receipts & payments basis is used |

***The above Internal Financial Controls were approved and adopted by Abenbury Community Council at the meeting held on 8th April 2024***

***Clerk of the Council***