GRAPPENHALL AND THELWALL PARISH COUNCIL
STATEMENT OF INTERNAL CONTROLS AND CHECKLIST

(Adopted at the Council Meeting on 19th June 2025 v1)

1. Overview

1.1 The Accounts and Audit Regulations 2015 require smaller authorities each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with the proper practices in relation to accounts.

1.2 The proper practices are set out in the document entitled Governance and Accountability for Smaller Authorities in England, updated each year.

1.3 In order for the Parish Council to review the effectiveness of the internal control system there needs to be clarity on the internal controls in place.

1.4 Some internal controls are listed in the Financial Regulations document, but the system of controls goes beyond this. A Statement of Internal Controls has therefore been prepared.

2. The Controls

2.1 Standing Orders and Financial Regulations

The Parish Council has adopted financial regulations and standing orders, based on the model versions prepared by NALC/SLCC. The regulations and orders are reviewed for continued relevance at least annually and amended where necessary by the Responsible Financial Officer with any proposed amendments subject to approval by the Parish Council.

2.2 Safeguarding Public Money

The Parish Council has appointed a Responsible Financial Officer who has formal responsibility for determining the system of financial control.

2.3 Ordering Goods and Services

Official orders/emails are sent to suppliers for services.
Financial Regulations (5.7) state that goods/services costing above £30,000 must be obtained through a tendering process; goods/services from £5,000 to £25,000 are subject to the receipt of three quotations, and above £1000 and up to £4,999 subject to receiving three estimates.
Financial Regulations (5.12) sets out exceptions to the above requirements.
Order notes and invoices are checked for accuracy on receipt of goods or services and filed with the payments schedule, which is presented to Council monthly.

2.4 Receipts

Clerk/RFO ensures that the amount of the precept received is correct in accordance with the precept request sent to Warrington Borough Council. Clerk/RFO ensures that other receipts (deposit interest) are received when due and correctly calculated.
All Receipts received are presented at the meeting following their receipt Details of receipts are recorded in the minutes of the meeting.
Income is banked promptly

2.5 Transferring money between different banks

A bank mandate is presented and signed by an authorised signatory, to authorise any transfer of funds between accounts in different banks. This will then be reported to Council at the next meeting.

2.6 Cash

The Parish Council operates a petty cash system. This is fully auditable and checked by a authorised signatory with relevant entries made to the cash book (Scribe). Then reported at the next full council meeting.

2.7 Reconciliations

The cash book is kept electronically using Scribe Accounting Software, maintained up to date from original documents (cash received, invoices, payments made, including direct debits and standing orders).
The cash book is reconciled to the bank statement monthly.
Reconciled accounts are presented at least 4 times per year for reference and are signed and approved by a member of the Resources Committee who is not the Chair of the Parish Council or a signatory on any bank mandate.
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 through the minutes.

2.8 Budgetary Controls

A proposed budget is prepared following consultation with the Committees of the Parish Council and this is discussed and approved at a meeting of the full Parish Council.
The precept is set on the basis of the agreed budget.
A budget monitoring document, comparing actual receipts and payments to the agreed budget is prepared and presented to the meeting each month. A budget report detailing the budget headings for each committee is presented to that committee at each of its meetings.
A budget timetable will be prepared and approved for an effective budget setting process.

2.9 Payroll Controls

Employee contracts are in place.
All employees are paid under PAYE as an employee and the necessary system for HMRC RTI is in place.
All employees' salaries or adjustments are agreed by the Parish Council and a minute is prepared to show the agreed salary.
Salaries are paid by cheque/electronic bank transfer.
The Clerk/RFO ensures all necessary payroll returns are made to HMRC and retains evidence that this has been done.

2.10 VAT Reclaim

Clerk/RFO ensures that all invoices are addressed to the Parish Council.

Clerk/RFO ensures that proper VAT invoices are received where VAT is payable.
VAT amounts are entered into the cash book in a separate column, to show clearly the amount of VAT which is due for reclaim.
VAT is reclaimed by the Clerk/RFO every quarter and the amounts received reported to the meeting and entered as receipts to the cash book.

2.11 Assets Management

A full asset register is maintained and updated as soon as any changes take place.
The existence and condition of assets is checked on a six monthly basis by an employee of the Parish Council and on an annual basis by councillors and such is recorded in the Asset Register.
The adequacy of insurance of the Parish Council's assets is considered annually in advance of the insurance renewal and any changes necessary during the annual period through purchase or disposal are notified to the insurance company.
Whenever a new asset is purchased the insurance company is advised and any recommendation of an increase in premium is advised to Full Council .

2.12 Risk Management

A Risk Management Register is kept, with an annual review undertaken by the Parish Council.
Any risk assessments which are required for new activities are prepared in advance by the clerk.

3. The Review

3.1 Twice each financial year, a member of the Parish Council who is not a signatory to the bank mandate, nor the Chair of the Parish Council nor the Chair of any other committee of the council shall carry out a review of the internal controls of the Parish Council and shall verify by signature to the checklist (appendix A) that such a review has taken place.

3.2 The signed checklist shall be presented to a meeting of the Parish Council and accepted by that meeting as a verification that a review of the internal controls has been duly carried out.

4. Monitoring and Review

4.1 This Statement of Internal Control and accompanying checklist will be monitored and reviewed annually by the Parish Council.

Appendix A – Checklist for Internal Control

The following checks, by random sampling where appropriate, were carried out by me and I can confirm by initialling and full signature and date below, that I am satisfied that the correct procedures, as detailed in the Statement of Internal Control, were being

Ref.	Check:	Initial
2.1	That either the Standing Orders or Financial Regulations had evidence of annual review. *This can be found by checking the last review date on the front cover of the documents and/or finding the minute reference which relates to the documents being reviewed.*	
2.3	That any goods/services costing above £5000 were ordered only following consideration of three quotations. *Check emails and minutes of relevant committees.*	
2.4	That orders for goods/services can be traced. *Check the file for order references or ask for copies of emails which support orders.*	
2.4	That a sample of payments identified on a bank statement relate to goods invoiced and such payments are listed on the cash book. *Check bank statements, cash book entries and folder containing invoices.*	
2.4	That payments for a sample month have been listed in the minutes of the meeting. *Check either the minute book or online minutes available on the website.*	
2.4	That goods/services paid for by employees have the correct receipt recorded. *Check the folder containing invoices kept in the office.*	
2.5	That a sample transfer which has been minuted has moved from the relevant bank accounts. *Check minutes and bank statements.*	
2.6	The petty cash entries match to the receipts and to balance cash remaining. *Check the entries against receipts and add remaining cash*	
2.7	That the cash book entries are up-to-date. *Check the cash book in Scribe (accounting software) is up todate.*	
2.7	That bank reconciliations have been signed by a councillor and that the corresponding statement of accounts has been countersigned and that the cash book entry agrees with the figures. *Check in the electronic accounts folder and on the cash book report on Scribe and on a bank statement.*	

2.8	That budget monitoring documents have been presented to a relevant committee. *Check the minutes of a committee.*	
2.9	That a sample entry in the payroll system reconciles with a payment made. *Check an entry in the payroll system and compare to a bank statement entry/cheque counterfoil.*	
2.10	That a sample VAT return has been completed. *Check VAT reclaim paperwork against receipts in the minute book or entered in the cash book or appearing on a bank statement*.	
2.11	That the assets register has been reviewed. *Check the review date on the document and check the minutes for the review approval.*	
2.11	That any new assets purchased have been notified to the insurance company and any necessary additional premiums paid. *Check minutes for any purchases and emails for insurance premium quotations.*	
2.12	That the Risk Management Register has been reviewed. *Check the review date on the document and check the minutes for the review approval.*	

Certified by _____

Date _____

Presented to the Parish Council meeting on _____

Resolved by that meeting at minute _____