

# Internal Audit procedure

## Smisby Parish Council Internal Audit procedure

1. All cheques are to be signed by two signatories and all cheque counterfoils are to be initialled by those signatories.
2. The parish clerk / responsible financial officer will not be a signatory.
3. All cheques issued must be approved by resolution of the parish council, ahead of the signing and subsequently ratified in the approved minutes. However, to allow the Parish Clerk to authorise minor expenditure between
  - a) The Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair, replacement or other work, which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure subject to a limit of £250. The Clerk shall report the action to the Council as soon as practicable thereafter.
  - b) The Clerk may incur expenditure on behalf of the Council subject to a limit of £100 with details of the expenditure being reported to Council at the next available meeting."
4. There will be no petty cash account held
5. After each bank statement has been received, a summary of receipts and payments and cash flow to be prepared to verify the bank statement.
6. All expenditure must properly account for VAT to facilitate reclaim.
7. The responsible financial officer to give a financial update at each parish council meeting.
8. Fidelity insurance for councillors and parish clerk / responsible financial officer must be maintained at an appropriate level (part of our current insurance).
9. A back up copy of the computerised accounts should be held in separate location
10. The Parish Council should consider advice given by the internal auditor immediately, and a decision made whether to adopt each of the recommendations.
11. A copy of the yearend bank statement should be sent to the Audit Commission with the Annual Audit papers.
12. The internal auditor should have direct access to those charged with governance.
13. The internal auditor reports in own name to the Parish Council
14. The internal auditor does not have any other role in the parish council
15. The internal audit is to be carried out as soon as possible after the AGM, where the annual accounts are presented.

Procedure agreed Sept 2009