

# **ISYCOED COMMUNITY COUNCIL** **INTERNAL FINANCIAL CONTROLS 2025-2026**

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 Isycoed 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.

<b>ACTION</b>	<b>QUESTION- REGULATION</b>	<b>ANSWER</b>
Proper Bookkeeping	Is the Cashbook maintained and up to date	Yes Monthly
	Is the Cashbook arithmetic correct	Yes Monthly
	Is the Cashbook regularly balanced	Yes Monthly
a) Standing Orders and Financial Regulations adopted and applied b) Payment controls	Has the Council formally adopted standing orders and Financial Regulations?	Yes
	Has a Responsible Financial Officer been appointed with specified duties?	Yes
	Have items or services above a de minimis amount been competitively purchased?	Yes When necessary
	Are payments in the cashbook supported by invoices, authorised & minuted?	Yes Monthly
	Has VAT on payments been identified, recorded and reclaimed?	Yes monthly & reclaimed regularly
Risk Management arrangements	Would a scan of the minutes identify any unusual financial activity	No
	Do the minutes record the Council carrying out an annual risk assessment?	Yes
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Yes Annually
Budgetary Controls	Has the Council prepared an annual budget in support of its precept?	Yes
	Is actual expenditure against the budget regularly reported to the Council?	Yes quarterly
	Are there any significant unexplained variances from budget?	No

Income Controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded in the cashbook agree to the District Council's notification?	Yes
	Are security controls over cash adequate and effective?	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?	Yes
	Are other payments to the Clerk reasonable and approved by the Council?	Yes
	Has PAYE/NIC been properly operated by the Council as an employer?	Yes
Asset controls	Does the Council keep an Asset Register of all material assets owned?	Yes
	Are the Asset/Investment Registers up to date?	Yes.
	Do asset insurance valuations agree with those in the asset register?	Yes
Bank reconciliation	Is there bank reconciliation for each account?	Yes
	Is bank reconciliation carried out regularly on the receipt of statements	Yes Monthly
	Are there any unexplained balancing entries in any reconciliation?	No
Year-end procedures	Are year-end accounts prepared on the correct accounting basis (Receipts & Payments/Income & Expenditure)?	Yes
	Do accounts agree with the cashbook?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	No, a receipts & payments basis is used

***The above Internal Financial Controls were approved and adopted by Isycoed Community Council at the meeting held on 15<sup>th</sup> April 2025***

***Karen Benfield  
Clerk of the Council***