

**COLBY & BANNINGHAM PARISH COUNCIL**  
**ANNUAL STATEMENT OF INTERNAL CONTROLS**

Parish councils are required to conduct, once a year, a review of the effectiveness of its system of internal control of its finances. The Council is required to sign the Annual Governance Statement in May each year to evidence that this review has been undertaken. 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. The following is a statement of the internal controls currently being operated by Colby & Banningham Parish Council.

**Statement of Internal Controls**

- All payment and receipt transactions are actioned via an online bank account with Unity Trust Bank. Cheques are accepted but not issued
- The cashbook is kept electronically using the Scribe accounting software
- The cashbook is reconciled monthly to the bank statements
- Reconciled accounts, with cashbook and bank statements, are presented at each Parish Council meeting in advance for scrutiny and approval and are signed by the Chairman, along with the supporting invoices
- A schedule of payments for authorisation is produced and circulated in advance of each Council meeting for approval, which includes any payments for ratification which may have been made between meetings, and also any income received. All invoices are checked and signed by the Chairman.
- Any urgent payments made between meetings, or any falling due before the next meeting, are approved by Full Council via email and ratified at the next meeting
- The Clerk checks that all invoices received are correct and agree with purchase orders where applicable before presenting them to the Council
- All payments made are recorded in the body of the minutes, not in an addendum
- Payments are uploaded on to the Council’s online bank account by the Clerk following payment approval
- Payments are checked and authorised online by two eligible signatories
- The Clerk ensures that all invoices are addressed to the Parish Council
- The Clerk ensures that proper VAT invoices are received where VAT is payable
- The Clerk ensures that the amount of precept received is correct and that the six-monthly instalments are correct and on time.
- The Clerk is paid under PAYE as an employee monthly by BACS, with the payment and tax calculations detailed in the payment schedule produced before each meeting (or circulated by email where no meeting is held).
- The Clerk ensures that that all the necessary payroll returns are made to HMRC and details evidence that this has been done by retaining HMRC confirmation emails

Signed (Chairman): ..... Date: .....