ST ATHAN COMMUNITY COUNCIL
QUARTERLY INTERNAL
FINANCIAL REVIEW PROCESS

Adoption

Adopted by St Athan Community Council at the Full General Council meeting held on Tuesday 7th July 2026.
Version: 1.0

Minute reference: 3504
Review date: May 2027

Signed:
Name:
Chair of St Athan Community Council

1. Purpose

The purpose of this process is to ensure that St Athan Community Council carries out a regular three-monthly review of its financial processes, accounting records and internal controls.

The review provides evidence that the Council is monitoring its finances, identifying risks and taking action where required. It also supports the Council's year-end accounts, audit process and annual governance statement.

2. Governance

This process shall be carried out in accordance with:

- applicable legislation and proper practices for community councils in Wales;
- the Council's Standing Orders;
- the Council's Financial Regulations;
- the Members' Code of Conduct;
- the Council's Scheme of Delegation, risk register and adopted policies.

Full Council remains responsible for the Council's finances, budget, precept, accounts, audit and statutory compliance.

3. Frequency

The review shall be completed every three months and reported to the next appropriate meeting of Full Council or the Finance Committee, as agreed by Council.

- Quarter 1: April to June, reported in July;
- Quarter 2: July to September, reported in October;
- Quarter 3: October to December, reported in January;
- Quarter 4: January to March, reported in April or May.

The Quarter 4 review should also support preparation of the year-end accounts and Annual Return.

4. Responsibilities

Clerk / Responsible Financial Officer: prepares the accounting records, bank reconciliations, financial reports and evidence pack.

Nominated councillor / Finance Committee: reviews the evidence, completes sample checks and identifies any issues or actions required.

Full Council: receives the quarterly review report, considers any issues and approves actions.

5. Documents to Prepare

For each quarterly review, the Clerk/RFO should prepare:

- bank statements for all Council accounts;
- bank reconciliations and cashbook/accounts reports;
- payment and income lists for the period;
- budget monitoring and reserves reports;
- VAT position and payroll summary, where applicable;
- grant, project, procurement and contract updates, where applicable;
- asset register changes, insurance issues and audit action log.

6. Review Areas

Bank reconciliation: check that all bank accounts are included, balances agree to bank statements, the cashbook agrees to the reconciliation and the difference is nil. Any difference must be investigated.

Payments: check a sample of payments, including high-value and random smaller payments. Confirm invoices, approvals, VAT, budget headings, procurement evidence and bank authorisation.

Income: check that precept, grants, VAT refunds, event income, hire income, donations, sponsorship and bank interest have been recorded correctly and agree to bank records.

Budget and reserves: review actual income and expenditure against budget, identify overspends or likely overspends, and review general and earmarked reserves.

VAT and payroll: confirm that VAT is supported by valid invoices and that payroll, HMRC, pension, expenses and mileage records agree to the accounts.

Procurement, contracts and grants: confirm that Financial Regulations have been followed, quotes are retained where required, Council approvals are minuted and grant conditions are monitored.

Assets, insurance and risk: identify new or disposed assets, insurance implications, financial risks, control weaknesses and outstanding audit recommendations.

7. Reporting and Actions

Following the review, a short written report shall be presented to Council or the Finance Committee. The report should summarise the period reviewed, checks completed, key balances, budget position, risks and any actions required.

Where issues are identified, the report should include an action plan showing the issue, proposed action, responsible person and deadline. Significant or urgent matters should be reported to Council as soon as reasonably practicable.

8. Evidence to Retain

For each quarter, the Council should retain an evidence file containing:

- bank statements and signed bank reconciliations;
- cashbook/accounts report, payment list and income list;
- budget monitoring, reserves report and VAT/payroll evidence;

- sample check notes and supporting invoices or income records;
- procurement, contract, grant and project records where applicable;
- audit action log, Council report and approved minutes.

9. Agenda and Minute Wording

Suggested agenda item: Quarterly Internal Financial Review - To receive and consider the quarterly review of financial processes, accounting records and internal controls for the period ending [date].

Suggested minute wording: The Council received and considered the Quarterly Internal Financial Review for the period ending [date]. Members reviewed the bank reconciliations, income and expenditure records, payment checks, budget monitoring, VAT position, payroll summary, reserves, procurement, grants, assets and audit actions.

RESOLVED: That the Quarterly Internal Financial Review be received and approved, subject to any actions identified.

10. Quarterly Checklist

Check area	Completed	Notes / action
Bank reconciliations completed	Yes / No	
All bank accounts checked	Yes / No	
Payments sampled	Yes / No	
Income sampled	Yes / No	
VAT checked	Yes / No	
Payroll checked, if applicable	Yes / No	
Budget monitoring reviewed	Yes / No	
Reserves reviewed	Yes / No	
Procurement / quotes checked	Yes / No	
Grants checked, if applicable	Yes / No	
Asset register changes reviewed	Yes / No	
Risks and audit actions reviewed	Yes / No	
Report presented to Council	Yes / No	

11. Review and Adoption

This process shall be reviewed annually and may be amended only by Full Council.