

Trunch Parish Council

Risk Assessment of Financial and Non-Financial Internal Audit Controls

Adopted November 2018

Last Review November 2019

Next Review November 2020

Document Control

Document Approvers

Trunch Parish Council

Document Review Plans

This document will be reviewed and updated, if necessary, as defined below:

- Following an annual review
- Following any legislative changes which impact these controls
- Following changes in guidance made by the National Association of Local Councils (NALC) or other bodies

How to find this document

The latest version of this document is available to view on the Parish Council Website

Document Overview

Purpose

This document is designed to ensure that Trunch Parish Council meets its requirements to:-

Maintain an adequate system of internal control including measures to prevent and detect fraud and corruption and to review its effectiveness

Assure members there are no matters of actual or potential non compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances

Carry out an assessment of risks facing the council and demonstrate how these are managed including appropriate internal controls

Maintain an adequate and effective system of internal audit of the council's accounting records and control systems and review their effectiveness.

Reference Governance and Accountability for Local Councils A Practitioner's Guide 2010 (England)

How to use this document

This document should be used to understand the internal governance controls the various types of identified risks together with potential for improvements any actions identified to mitigate risks and/or improve internal controls

Background

Trunch Parish Council is committed to improving, wherever possible, its service to the village. As part of this commitment the council has performed an assessment of its governance procedures identifying areas where it believes improvements can be made and risks mitigated or eliminated

Scope

This document covers the following:-

- Governance
- Financial Controls
- External Audit Governance

No.	Internal Controls	Risks identified/potential for Improvements/current procedure	Action required
1	Governance		
1.1	Standing Orders		
1.1.1.	Standing Orders have been adopted setting out the Council's constitution and procedures. They are reviewed annually.	Reviewed annually	Adopt revised wording for conflict of interest when received
1.2	Management Strategies		
1.2.1	Members have identified and adopted key objectives.	Not done	For consideration by Members
1.3	Financial Regulations		
1.3.1	The Clerk is appointed Responsible Financial Officer, with the duties detailed in the Financial Regulations.		

1.3.2.	Finance Regulations have been adopted which set out procedures. They are reviewed annually.	Review annually	
1.3.3	Grant application terms and conditions have been adopted and are reviewed regularly.	Not done	For consideration by Members
1.4	Freedom of Information		
1.4.1	The Council has adopted the revised Model Publication Scheme.	Review annually	
1.5	Complaints Procedure		
1.5.1	The Council has a complaints procedure and persistent complaints procedure.	Review annually	
1.6	Measures to Prevent Fraud and Corruption		
1.6.1	The Council has adopted the NALC Model Code of Conduct.		
1.6.2	All Councillors sign a Declaration of Acceptance of Office on election or co-option.		

1.6.3	All Councillors complete a Register of Interests and provide updated information as appropriate. Copies are held with the Council and NNDC Monitoring Officer.	None, all received. Reminders needed for these to be regularly updated	Councillors to be asked to review after annual meeting
1.6.4	There is an agenda item for Council Declaration of Interests at every meeting.		None
1.7	Insurable Risks		
1.7.1	Public Liability insurance is held in the sum of £10 million to protect the Council from claims by third parties due to accident or damage resulting from the negligence of the Council.	This is £5 million more than the minimum cover for local authorities	Review insurance annually.
1.8	Employment Controls		
1.8.1	The Clerk is the only employee.		
1.8.2	Standing Orders and job description outline the Clerk's role which includes that of Responsible Financial Officer.		None

1.9	Insurable Risks		
1.9.1	Employers Liability insurance in place which covers the legal liability of the Parish Council for negligence following death, bodily injury or disease sustained by employees during and arising out of or in the course of their employment, including Corporate Manslaughter and Homicide. Held in the sum of £10 million.		None
1.10	External Audit Annual Governance Statement Requirements		
1.10.1	Monthly payments and receipts.		None
1.10.2	Council only does things it has legal power to do and works within appropriate standards and codes of practice which could have a significant effect on the ability of the Council to conduct its business or on its finances.	Legal powers noted on precept/budget calculations	None

1.10.3	Notice of audit displayed on notice boards and website to allow electors to inspect accounts as required by Accounts and Audit Regulations.		None
1.10.4	Financial and other risks are considered and dealt with using this document as a basis for action. New issues are dealt with during the year as necessary.		None
1.10.5	Appropriate steps are taken to deal with matters raised in reports from the internal and external auditors through agenda items.		None
1.10.6	Litigation, liabilities, commitments, events or transactions occurring after the year end which could have an impact on the Council are disclosed.		None

2	Financial Controls		
2.1	Proper Bookkeeping.		
2.1.2	A cash book is maintained using both a computer system and manually.		None
2.1.3	The cash book is balanced against bank statements to ensure it is arithmetically correct on a monthly basis.		None
2.2	Payment Controls		
2.2.1	A list of cheque payments is prepared for the meetings with the invoices also available for inspection. The Councillors discuss and approve the payments. Cheques are then signed by any 2 of the 3 signatories and the stubs are initialled. Approval of the payments are recorded in the minutes.		None

2.2.2.	VAT payments are made on proper VAT tax invoices showing registration number. A separate column is kept in the cash book to detail the VAT element. Annual reclaims are made.		None
2.2.3	S.137 payments are shown in a separate column in the cash book. The calculation of the formula level is noted in the Statement of Accounts.		None
2.3	Budgetary Controls		
2.3.1	The Council sets a budget on advice from the Clerk which is then approved by the Members at a meeting.		None
2.4	Income Controls		
2.4.1	All income is maintained in the cash book.		None
2.4.2.	NNDC issue a remittance advice which confirms the precept that is paid directly into the Council's bank account.		None

2.5	Petty Cash Procedures		
2.5.1	No petty cash is held.		None
2.6	Payroll Controls		
2.6.1	The Clerk is eligible to be paid expenses for official mileage.		None
2.6.2	PAYE is paid monthly to the Inland Revenue.		None
2.7	Councillors Expenses		
2.7.1	Councillors are eligible to be paid expenses for official mileage in line with NALC.		None
2.8	Asset Control		
2.8.1	An asset register is held, with insurance valuation updates annually.		None
2.8.2	Bank account requires 2 signatures.		None
2.9	Asset Controls - Insurable Risks		
2.9.1	The RFO to effect all insurance following an annual risk assessment.		None

2.9.2	Annual risk assessment reviewed and updated in respect of assets.	Review annually	
2.9.3	List of assets maintained and updated during the year. Insurance cover extended for new acquisitions when appropriate.	Review annually	None
2.9.4	Assets covered by material damage and all risks cover.		None
2.9.5	Insurance provider reviewed from time to time for competitive pricing .		None
2.10	Bank Reconciliation		
2.10.1	The bank account is reconciled by the RFO.		None
2.10.2	Monthly bank reconciliations are undertaken by the RFO.		None
2.10.3	Any adjustments for interest/bank charges/unpaid cheques are noted in the cash book if they occur.		None

2.11	Year End Procedures		
2.11.1	Accounts are prepared on a receipts and payments basis.		None
2.11.2	Full cross casting of the cash book is agreed.		None
2.11.3	An audit trail is provided by numbering the invoices and final accounts.		None
3.	Electoral Mandate		
3.1	Members elected at last election.		
4.	Qualifications of Clerk		
4.1	The Clerk holds CILCA.		
5.	Meetings		
5.1	Meeting policy set out in Standing Orders, notices are provided three clear days before meetings on notice boards and website. Draft minutes are published on website prior to the next meeting. Time is set aside for public participation.		

6.	Communications - Mandatory		
6.1	The Parish Council has a website that is regularly updated.		
6.2	The Parish Council has an email address that is widely published, notice boards and Website.		
6.3	Parish Council information is placed on the notice boards and website and updated regularly.		
7.	Communications - Discretionary (nine needed from list)		
7.1	Annual Report is delivered to every household.		
7.2	Annual Report includes a summary of report of the Parish Council's activities throughout the year.		
7.3	A Parish Plan.		

7.4	Provision of access point for details on local government services and Parish Council activities.		
7.5	Access point linked to District and County Councils.		
7.6	Information about local government services and Parish Council activities distributed to every household.		
7.7	Trunch Parish Council has links with other organisations.		
7.8	Adoption of a community engagement strategy.		
7.9	Provision of face book, twitter and other online activities.		
7.10	Holding regular surgeries for local residents.		
7.11	Residents are consulted on planning matters, NNDC notifies neighbours and advises contact with the Parish Council.		

7.12	Keep relevant principal authorities informed of Parish Council activities.		
7.13	Publicising Parish Council activities.		
7.14	Consulting with electorate on local issues.		
7.15	Provision of information leaflets on the Parish Council's work.		
8.	Accounts		
8.1	Accounts are prepared in accordance with statutory requirements, approved within three months of the accounting date and published within six months.		
9.	Code of Conduct		
9.1	See item 1.6.1 above.		
10.	Promoting Local Democracy		

10.1	The Parish Council supports local democracy through its public session at meetings, making information widely available through use of notice boards and website.		
11.	Clerk's Contract Terms and Conditions		
11.1	The Parish Council has adopted NALC Terms and Conditions for the Clerk and a Contract of Employment is in place.		
12.	Training		
12.1	The Parish Council has a training policy in place.	Review annually	None
13	General Power of Competence		
13.1	The Clerk is qualified.		
13.2	Two thirds of vacancies were filled at last election.		