



Wickham Parish Council
Risk Assessment of Financial and
Non-Financial Internal Audit Controls
April 2014

Document Owner: [Parish Clerk](#)

Document Control

Document Approvers

Position	Name
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Notification List

People who must be informed of changes

Position/Function	Name
All Parish Councillors	

Document Review Plans

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

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

How to find this document

The latest version of this document is filed on the Parish Council website www.wickhamparishcouncil.org

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Document Overview

Purpose

This document is designed to ensure the Parish Council meets its requirements to*:

- safeguard public money
- 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

Wickham Parish Council is committed to improving, wherever possible, its service to the Parish. 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
- Quality Parish Status Test

Glossary

Abbreviation	Description
GP	General Purposes
IC	Information Commissioner
NALC	National Association of Local Councils
NIC	National Insurance Contributions
PAYE	Pay As You Earn – income tax
PC	Parish Council
RFO	Responsible Financial Officer
SLCC	Society of Local Council Clerks
VAT	Value Added Tax
WCC	Winchester City Council

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	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 at least every four years. New Standing Orders adopted 24 th February 2014,		Review 2019
1.2	Financial Regulations		
1.2.1	The Clerk is appointed Responsible Financial Officer, with the duties detailed in the Financial regulations.		None
1.2.2	Finance Regulations have been adopted which set out procedures. New model regs have been published for adoption in 2014		Adopt new regulations
1.3	Freedom of Information		
1.3.1	The Council adopted a Model Publication Scheme in November 08		Review 2014 if required
1.4	Complaints Procedure		
1.4.1	The Council has a complaints procedure adopted in 2010		Review 2014
1.5	Measures to prevent fraud and corruption		
1.5.1	The Council has adopted revised Code of Conduct 22 nd October 2012		None
1.5.2	All Councillors sign a Declaration of Acceptance of Office on election or co-option all received post May 2011		None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
1.5.3	All Councillors complete a Register of Interests and provide updated information as appropriate. Copies are held with the Council and Winchester City Council Monitoring Officer. all received post May 2011 election		None
1.5.4	There is an agenda item for Councillor Declaration of Interests on Committee and Full Council agendas		None
1.5.5	Bank balances are reported and recorded at every full council meeting		None
1.6	Insurable risks		
1.6.1	Fidelity Guarantee insurance cover is held in the sum of £500,000 to cover employee fraud and dishonesty Zurich YLL-2720439393		Review insurance annually
1.6.2	Public Liability insurance is held in the sum of £12 million to protect the Council from claims by third parties due to accident of damage resulting from the negligence of the Council Zurich YLL-2720439393	This exceeds the £5 million recommended cover for local authorities	Review insurance annually
1.7	Employment controls		
1.7.1	Clerk is only employee, contract reviewed in 2008 and new contract signed as recommended by NALC/SLCC. Salary and conditions reviewed annually	Records are held as Clerk's house and remote copies kept. All necessary information available on website www.wickhamparishcouncil.org Search facility added in 2009	None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
1.7.2	Standing Orders and job description outline Clerk's role Which includes that of Responsible Financial Officer		
1.8	Insurable risks		
1.8.1	Employers Liability insurance held in the sum of £10 million Zurich YLL-2720439393		Review insurance annually
1.9	External Audit annual governance statement requirements		
1.9.1	Statement of accounts formally approved by Council following recommendation by Finance Committee		None
1.9.2	System of internal controls maintained and its effectiveness reviewed using this document		None
1.9.3	Council only does things it has legal power to do and works within appropriate standards and codes of practise which could have a significant effect on the ability of the Council to conduct its business or on its finances		None
1.9.4	Notice of audit displayed on four Parish notice boards to allow electors to inspect accounts as required by Accounts and Audit Regulations		None
1.9.5	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. Risk assessment documents comprise: <ul style="list-style-type: none"> • This document 		Ongoing updates

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
	<ul style="list-style-type: none"> • Annual asset risk assessments carried out for the recreation ground, football pitches and tennis courts, play areas and skatepark; Lysander Meadow, Dean Copse and Knowle Cemetery • Fortnightly play area safety checks • Daily checks of all weather pitch during term time, three times a week at other times • List of assets Risk assessments carried out for Council events		
1.9.6	Appropriate steps are taken to deal with matters raised in reports from the internal and external auditor through agenda items on the Finance Committee		None
1.9.7	Litigation, liabilities, commitments, events or transactions occurring after the year end which could have an impact on the Council are disclosed. This has not been necessary for 2013/14		None
1.10	Other guidance/controls		
1.10.1	The Council has a Child and Vulnerable Adult Protection Policy adopted 25 th June 2012		None
1.10.2	The Council has an Equalities and Diversity Policy adopted 25 th June 2012		None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
2	Financial controls		
2.1	Proper Bookkeeping		
2.1.1	Cashbook is maintained using Money Manager software it is updated regularly. Records copied to an external hard drive	Clerk is only holder of Money Manager software. Accounts available on website	None
2.2	Payment Controls		
2.2.1	A list of cheque/BACS payments is prepared for the monthly Full Council meeting with the invoices also available for inspection. The Councillors discuss & approve these payments, Cheques are then signed by any 2 (from the 4 approved) and the stubs initialled, BACS payments are signed on the payments schedule. Approval of accounts for payment is recorded in minutes.		Spot checks of invoices against cheques made regularly and minuted
2.2.2	VAT payments are made on proper VAT tax invoices showing registration no. A separate column is kept in cashbook to detail VAT element. Annual reclaims are made.		None
2.2.3	S.137 payments are shown in a separate column in the cashbook. The calculation of the formula level is noted in the Statement of accounts.		None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
2.3	Budgetary Controls		
2.3.1	The Council sets a budget on advice from the Finance committee in December/ January this is then approved by Full Council		None
2.3.2	Clerk/ RFO presents a quarterly income and expenditure update to the Finance Committee or Full Council		None
2.3.3	Any virements/amendments to the budget are discussed by the Finance Committee		
2.4	Income Controls		
2.4.1	Football pitch hirings & any miscellaneous income are paid to the Clerk, who banks income promptly & enters details in cashbook. Pitch hire fees are reviewed annually by the Recreation Committee		None
2.4.2	WCC issue a remittance advice which confirms the precept that is paid directly into the Council's deposit bank a/c		None
2.5	Petty Cash Procedures		
2.5.1	No petty cash is held		None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
2.6	Payroll Controls		
2.6.1	The Clerk is paid on the Local Council scales, approved by Council annually and minuted. Payscales were reviewed at the Finance Committee 13 th January 2014 agenda item 4.7.4		None
2.6.3	Online HMRC returns made monthly PAYE/NIC is paid quarterly to the Inland Revenue		None
2.6.4	Superannuation payments are made monthly to HCC.		None
2.7	Councillor / Chairman's expenses		
2.7.1	A sum is included in the precept for Chairman's expenses		None
2.7.2	Paid according to Parish Remuneration Panel September 2010: Review of Allowances for Parish Councils within the Winchester District including Travelling and Subsistence Allowances.		None
2.8	Asset Controls		
2.8.1	An asset register is held, with insurance valuation updates annually. Asset information is recorded in the supporting papers to the Final Accounts		None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
2.8.3	Cash balances are held in a deposit account for ease of access and to obtain interest Lloyds TSB ac no 7679042		None
2.9	Asset controls - Insurable risks		
2.9.1	Finance Regulations Para 15 provide for the RFO to effect all insurance following an annual risk assessment. This is reviewed by the Finance Committee in December		None
2.9.2	Annual risk assessment reviewed and updated in April in respect of major assets: skatepark, play areas, recreation ground, tennis court, football pitches and pavilion including maintenance requirements		None
2.9.3	Fortnightly safety checks on play areas, tennis courts and skateparks, carried out and recorded, contracted out to OCS and findings acted upon by Clerk, daily checks carried out to all weather pitch during term time, three times a week at other times		None
2.9.4	List of assets maintained and updated during the year, insurance cover extended for new acquisitions when appropriate. Copy presented to Councillors with annual statement of accounts		None
2.9.5	Key assets are covered by Material damage and All risks Zurich YLL-2720439393		Review insurance annually

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
2.9.6	Insurance provider reviewed from time to time for competitive pricing. Last reviewed in March 2014		None
2.10	Bank Reconciliation		
2.10.1	The two bank accounts are reconciled by the RFO. (Current ac no.1999789 and a Premier interest deposit ac no. 7679042, held with Lloyds TSB at Wickham)		None
2.10.2	Monthly bank reconciliations are undertaken by the RFO & signed off on the bank statements.		None
2.11	Year end procedures		
2.11.1	Accounts have been prepared on a receipts and payments basis since 2002/03.		None
2.11.2	Full cross casting of the cashbook is agreed to the final accounts		None
2.11.3	An audit trail is provided by numbering invoices, cost coding in the budget/precept, cashbook, and final accounts		None
3	Quality Parish Status Tests 2008 edition		
3.0	The Parish Council successfully re-gained Quality		Next review 2014

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
	Status in September 2010		
3.1	Electoral mandate		
3.1.1	Council fully elected at last election held May 2011		None
3.2	Qualifications of Clerk		
3.2.1	Clerk holds CILCA (Certificate in Local Council Administration)		None
3.3	Meetings		
3.4	Communications - mandatory		
3.4.1	The PC has a website that is regularly updated www.wickhamparishcouncil.org		None
3.4.2	The PC has an email address that is widely published notice boards, Parish Magazine, website		None
3.4.3	A newsletter is included in the Parish Magazine 10 times a year with two editions delivered by hand to every household in July each year, councillor contacts are part of the document		None
3.4.4	Parish Council information is placed on the four notice boards and a website and all are updated regularly. The Council also communicates via Facebook and	Look at whether communication procedures could be improved	GP Committee ongoing

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
	Twitter.		
3.5	Communications – discretionary (nine needed from list)		
3.5.1	Annual report is delivered to every household in the Parish with the July Parish Magazine	Continue to develop annual report	None
3.5.2	Annual report includes a summary of report of council activities throughout the year	As above	None
3.5.3	Wickham has a Parish Plan adopted by the Parish Council with amendments 25 th March 2012		None
3.5.4	Wickham PC has links with other community organisations: Wickham Community Association, Wickham Society, Wickham Youth Club, 1 st Wickham Scouts,	Continue to develop links	None
3.5.5	Residents are consulted on planning matters, WCC notifies neighbours and advises contact with the PC, Planning Committee agendas are published on notice boards and website		None
3.5.6	Parish Activities are published on notice boards, website and Parish Magazine		None
3.5.7	Press releases are made from time to time		Communication improvements is an agenda item for every committee

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
3.5.8	Consultations are undertaken when appropriate	VDS, Parish Plan, Local Plan Part 2 consultations carried out in 2009 / 2010 2011/2012/2013	Ongoing
3.5.9	Information leaflets are published from time to time eg Jubilee events 2012		None
3.5.10	Community engagement strategy adopted 19 th July 2010		
	Other activities listed in application but don't currently do:		
	Information/access point for local government services		
	Online forum, online surveys		
	Regular surgeries for local residents		
	Keep relevant principle authorities informed of PC activities		
	Publicise PC activities in district council publications		
3.6	Annual Report		
3.6.1	Annual report is completed and published by 30 th June of the following year, is available to any elector, placed on notice boards and website and delivered to every household in parish with Parish Magazine, councillor contacts are included, a summary of accounts and a Chairman's overview.		None
3.7	Accounts		
3.7.1	Accounts are prepared in accordance with statutory		None

No.	Internal Controls	Risks identified / potential for improvements and review of effectiveness	Action required
	requirements, approved within three months of the accounting date and published within six months		
3.8	Code of Conduct		
3.8.1	See item 1.51 above		
3.9	Promoting Local Democracy and Citizenship		
3.9.1	The PC actively supports local democracy and citizenship through its public session at meetings, making information widely available through use of notice boards, website and Parish Magazine. The PC also supports Citizen of the Year Awards, Adopt a Pavement, garden competition, Stan Woodford Photographic Competition	Identify ways to improve this further	Agenda item for each committee
3.10	Clerk's Contract Terms and Conditions		
3.10.1	PC has adopted NALC/SLCC Terms and Conditions for Clerk and contract of employment signed		None
3.11	Training		
3.11.1	Council has evaluated and identified training needs for staff and members	Training Strategy adopted 19 th July 2010	Review 2014