



Wickham Parish Council
Risk Assessment of Financial and
Non-Financial Internal Audit Controls
March 2017

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 2014 (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

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 21 st February 2017 | | Review 2021 or as advised by new legislation |
| 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. Revised regs adopted 17 th January 2017 | | Review 2021 or as advised by new legislation |
| 1.3 | Freedom of Information | | |
| 1.3.1 | The Council adopted a Model Publication Scheme in November 08 which was revised, updated and adopted 16 th February 2015 | | Review 2019 |
| 1.4 | Complaints Procedure | | |
| 1.4.1 | The Council has a complaints procedure adopted in 2010, reviewed by GP Committee 4 th March 2015 with no amendments | | Review 2019 |
| 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 | | None |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|------------|--|---|---------------------------|
| | 2015. | | |
| 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 2015 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 | | |
| 1.7.2 | 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 | | Review insurance annually |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|------------|--|---|-----------------|
| | million Zurich YLL-2720439393 | | |
| 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 | <p>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:</p> <ul style="list-style-type: none"> • This document • 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 | | Ongoing updates |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|-------------|---|---|-----------------|
| | Village Hall and Knowle Cemetery <ul style="list-style-type: none"> • 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 2016/17 | | 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 |
| 2 | Financial controls | | |
| | | | |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|------------|---|---|--|
| 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 One Cllr has access to the bank accounts to review online activity |
| 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 |
| 2.3 | Budgetary Controls | | |
| 2.3.1 | The Council sets a budget on advice from the Finance | | None |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|------------|--|---|--------------------|
| | committee in December/ January this is then approved by Full Council | | |
| 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 |
| 2.6 | Payroll Controls | | |
| 2.6.1 | The Clerk is paid on the Local Council scales, approved by Council annually and minuted. | | Review due in 2016 |

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|------------|--|---|-----------------|
| | Payscales were reviewed at the Full Council meeting held on 17 th October 2016 agenda item 4.8.5 | | |
| 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 |
| 2.8.3 | Cash balances are held in a deposit account for ease of access and to obtain interest Lloyds ac no 7679042 | | None |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|------------|--|---|---------------------------|
| 2.9 | Asset controls - Insurable risks | | |
| 2.9.1 | Finance Regulations 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 |
| 2.9.6 | Insurance provider reviewed from time to time for competitive pricing. Last reviewed in March 2014 | | None – 3 year deal |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|-------------|---|---|--|
| 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 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 Status in September 2010. Scheme has now closed | The Quality Parish Scheme has been replaced by Local Council Awards. | Council to decide whether to take part in the new scheme |

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|------------|---|---|----------------------|
| | but checks maintained as good practice. | This is not currently supported by HALC | |
| 3.1 | Electoral mandate | | |
| 3.1.1 | Council fully elected at last election held May 2015 | | 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 |

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|------------|---|---|--------------------------------|
| 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 Local Plan Part 2 newsletters | | None |
| 3.5.10 | Community engagement strategy adopted 19 th July 2010 | | |
| 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 requirements, approved within three months of the accounting date and published within six months | | None |
| 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 | Identify ways to improve this further | Agenda item for each committee |

| No. | Internal Controls | Risks identified / potential for improvements and review of effectiveness | Action required |
|-------------|--|---|--|
| | 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 | | |
| 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 All councillors to attend Core Skills Training on election or re-election | All councillors required to attend Core Skills Training on election / re-election, at least every four years |