

## **ROCKCLIFFE PARISH COUNCIL**

### **SUMMARY OF RISK ASSESSMENT & INTERNAL AUDIT DOCUMENT**

In order to manage risk the Council carried out the annual assessment of risk at a Council meeting on 19th March 2018. Review date March 2019.

This was done to ensure that the Council has a sound system of financial control that facilitates the effective exercise of the council's functions for the prevention and detection of fraud and corruption.

The Financial Regulations formally laid down and adopted in July 2016 are designed so that the Council can meet its responsibilities.

#### **Financial Safeguards:**

The Financial Regulations are reviewed on an annual basis.

#### **OVERALL SYSTEMS AND PROCEDURES**

- The Council formally adopts a set of Financial Regulations and Standing Orders annually.
- The Council has a Responsible Financial Officer being the Clerk who is appropriately qualified.
- The Council has an appointed parish councillor (Cllr Hazel Graham) to check financial details and the bank reconciliation at every meeting.
- The Council has an internal Auditor who is a qualified accountant.
- The Council reviews the effectiveness of its systems and procedures annually. This is done every May when the Council approves the Annual Accounts for the previous year. The Clerk reads through the Governance Statement for agreement for approval before the accounts are approved.

#### **FINANCIAL RECORDS**

- The Cash Book is regularly maintained and up to date throughout the year.
- The Cash Book arithmetic is reconciled and confirmed by the bank reconciliation.
- All other financial records are checked regularly. Members are issued with copies of the Schedule of Payments and Bank Reconciliation at each meeting. The annual accounts are presented at the May meeting following inspection and approval by the Internal Auditor. All paperwork is uploaded on to the website.
- Payments in the cashbook are supported by invoices, authorised and minuted. A Schedule of Payments is presented to the members at each meeting within the agenda.
- Income is properly recorded and promptly banked.
- All income is noted on the agenda papers and recorded in the minutes.

- Councillors are kept aware of balances as they are issued with the monthly bank reconciliation. Cllr. Graham checks the bank reconciliation with the bank statements and the cashbook.
- All payments are approved by the Council. The payments are posted on the notice boards in the agenda papers in advance. Payments are formally proposed and seconded and then approved before payment is authorised.
- All cheques are signed and counterfoils initialled by two authorised councillors. The Clerk is not a signatory.
- Actual expenditure against the budget is reported to the council at every meeting.
- No petty cash is held by the clerk or Member.
- Security controls over cash and near-cash are adequate and effective. No cash is held. Cheque books are stored under lock and key at the Clerks home
- VAT on payments is identified, recorded and reclaimed on an annual basis
- S137 expenditure is separately recorded and within statutory limits.
- Where appropriate, debtors and creditors have been properly recorded.

#### **PROVISION OF GOODS AND SERVICES**

- All items are competitively purchased. Financial Regulations stipulate that the Clerk must strive to obtain three quotations.
- An audit trail from underlying financial records to the accounts is in place and checked by the Internal Auditor
- All capital works is administered in accordance with the Council's standing orders and financial regulations relating to contracts. No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.

#### **RISK MANAGEMENT**

- Council minutes record the council carrying out an annual risk assessment.
- Insurance cover is appropriate and adequate and regularly reviewed by the RFO.

#### **PRECEPT & BUDGETARY CONTROLS**

- The council prepares an annual budget based upon anticipated income and expenditure including the use of reserves and all sources of funding for the year in support of its precept. The budget cycle is started in September with a view to being approved at the November meeting to levy a Precept for the next financial year.
- The annual budgets form the basis of financial control for the ensuing year.
- Unexplained variances from budget are explained at the year end meeting.
- The precept recorded is checked so that it agrees to the Council Tax authority's notification
- The RFO/Clerk issues the precept to the billing authority and supplies each member with a copy of the approved budget.

**STAFFING**

- The Clerk has a contract of employment with clear terms and conditions.
- Salaries paid agree with those approved by the council. The Clerk is paid monthly y direct debit which is recorded on the Schedule of Payments itemised on the agenda.
- Other payments to employees are approved by the council and paid by cheque.
- PAYE/NIC is properly operated by the council as an employer. The Council is a registered employer with HM Revenue & Customs. The Council contracts the payroll to Cumbria Payroll Services.

**ASSET MANAGEMENT**

- The council maintains a register of all material assets owned or in its care. See below.
- The Assets and Investments register is kept up to date and is published on the website

*Signed:*

*Chairman of Parish Council*

*Dated:*

**ASSET REGISTER**

**LAST UPDATED**

31/03/2018

**DESCRIPTION OF ASSET**

**VALUE**

Poor House Field	£4750.00
2 Picnic Benches	£771.00
1 Bench – Blencarn Park	£368.00
2 Lockable notice boards	£500.00
2 Bus shelters	£2.00
1 laptop	£270.00
Micro-soft office home/student	£120.00
Skipton Bonds	£13,925.00
<b>Total Assets</b>	<b>£20,706.00</b>