

Mundesley-on-Sea Parish Council

RISK REGISTER OF FINANCIAL & NON-FINANCIAL INTERNAL AUDIT CONTROLS

Purpose

This document has been produced to ensure Mundesley-on-Sea 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 legislation, which could have a significant financial effect on the ability of the Council to conduct its business or on its finances.
- Maintain an adequate system of internal audit of the Council's accounting records and control systems and review their effectiveness.

Mundesley-on-Sea 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.

Risk Assessment

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 every year.	Reviewed annually by the Full Council	Review in November 2016
1.1.2	Committee Terms of Reference have been adopted and are reviewed every year.	Reviewed annually by the Committee	Review in February 2017
1.2	Management strategies		
1.2.1	An Investment and Strategy Policy is produced annually	No Policy in place.	Needs to be written, approved and adopted.
1.2.2	Committees have identified and adopted key objectives.	These have been adopted under the Responsibilities section of the Terms of Reference and are included in the Standing Orders.	Review in February 2017
1.3	Financial Regulations		
1.3.1	A Responsible Financial Officer (RFO) has been appointed on a contract basis to carry out the duties detailed in the Financial Regulations.	In order to comply with HMRC it is recommended that the RFO should become an employee.	The Council is considering employing the RFO.
1.3.2	Finance Regulations have been adopted which set out procedures. They are reviewed at least every two years.	The Finance Regulations need to be made Mundesley Parish Council specific.	Needs to be written, approved and adopted.

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1.3.3	Grant application terms and conditions		Needs to be written, approved and adopted.
1.4 Freedom of Information			
1.4.1	The Council adopted a Freedom of Information Policy together with the revised Model Publication Scheme at Full Council in November 2015. This will be reviewed annually.	Review annually by the Full Council	Review in November 2016
1.5 Complaints Procedure			
1.5.1	The Council adopted a Complaints Policy at Full Council in February 2016. This will be reviewed every two years.	Review annually by the Full Council	Review in February 2017
1.6 Measures to prevent fraud and corruption			
1.6.1	The Council has adopted the NALC Model Code of Conduct.	To be updated if any amendments made by NALC due to legislation.	None
1.6.2	All Councillors sign a Declaration of Acceptance of Office on election or co-option.	None, all received.	None
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 to Councillors that these need to be regularly updated.	Councillors to be asked to review after the Annual Meeting.
1.6.4	There is an agenda item for Councillor Declaration of Interests on Committee and Full Council agendas.		None

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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 negligence.	The Insurance Company does not provide a certificate. A letter from the Insurance Company is laminated confirming Public Liability and displayed.	Review insurance when it is due for renewal in June 2016
1.7.2	Employers Liability insurance is held in the sum of £5 million. This covers the legal liability of the Parish Council for negligence following death or bodily injury or disease sustained by employees during and arising out of or in the course of their employment.	Employers Liability Certificate is displayed in the Parish Office.	Review insurance when it is due for renewal in June 2016
1.7.3	Buildings and contents insurance is held.		Review insurance when it is due for renewal in June 2016
1.7.4	Weekly inspections are carried out by a competent person of all MPC owned play park equipment.	Actions from the inspection sheets are taken to PBE meetings for consideration and agreement.	None
1.7.5	Annual inspections are carried out by a competent external person of all MPC owned play park equipment.	Actions from the inspection are taken to the PBE meeting for consideration and agreement.	None
1.7.5	Annual inspections are carried out by a competent person of all MPC fire extinguishers.	Recommendations from the inspection are taken to the PBE meeting for consideration and agreement	None

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1.8 Employment controls			
1.8.1	The Clerk is the only employee. Contract was issued in April 2015 when the Clerk joined the Council.		Contract to be reviewed after one year.
1.8.2	Standing Orders and job description outline the Clerk's role.		None
1.8.3	The RFO is currently a contractor.		Review before March 2016 to ensure the RFO is an employee of the Council.
1.9 External Audit annual governance statement requirements			
1.9.1	Statement of accounts formally approved by Council at Full Council Meeting.	Improvement to annual return required.	Long term investment to be classified as a fixed asset on 2016 return and Clerk to ensure the Annual Governance Statement has been signed.
1.9.2	The Council only carries out undertakings that it has the legal power to do and works within appropriate standards and codes of practice.		None
1.9.3	Notice of audit displayed on the Parish Notice Board by the Visitors' Centre and on the Councils website to allow members of the public to inspect accounts as required by the Accounts and Audit Regulations.	This is done in line with relevant legislation.	None
1.9.4	Financial and other risks are considered and dealt with using this document as a basis for action.		None

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1.9.5	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
1.9.6	Litigation, liabilities, contingency liabilities, commitments, events or transactions occurring after the year end which could have an impact on the Council are disclosed.		None
No.	External controls	Risks identified / potential for improvements / current procedure	Action Required
2. FINANCIAL CONTROLS			
2.1 Bookkeeping			
2.1.1	The cashbook is maintained using a computer system. Software is updated regularly. Records are held on the RFO's computer and on a back-up drive.		Regular back-ups should be held outside of the office.
2.1.2	The cashbook is balanced against bank statements to ensure arithmetically correct on a monthly basis.		None
No.	External controls	Risks identified / potential for improvements / current procedure	Action Required
2.1.3	Bank reconciliations and bank statements are signed off by the Chairman.		None

No.	External controls	Risks identified / potential for improvements / current procedure	Action Required
2.2	Payment controls		
2.2.1	A list of cheque payments are prepared for the monthly Finance Committee Meetings. The Councillors discuss and approve these payments. Cheques are then signed by two approved Councillors and the record sheet initialled. Approval of accounts for payment is recorded in minutes.		None
2.2.2	Quarterly reclaims are made of VAT by the RFO.		None
2.2.3	S137 payments are shown in a separate column in the cashbook. The calculation of the formula level is noted in the Statement of Accounts. The formula is calculated by multiplying the amount of electors in the Parish by a figure set by NNDC.	The figure set by NNDC for 2015 / 2016 is £7.36.	None