

**HARDWICK PARISH COUNCIL
INTERNAL FINANCIAL CONTROLS & RISK ASSESSMENT**

THE DAY-TO-DAY MANAGEMENT RESTS WITH THE CLERK/RFO WHO MANAGES THE PARISH COUNCIL'S ACCOUNTS AND RISKS AND WHO REPORTS TO THE PARISH COUNCIL AND MAKES RECOMMENDATIONS

ANNUAL CHECKS FOR COMPLIANCE ARE CARRIED OUT BY THE PARISH COUNCIL'S INTERNAL AUDITOR WHO MUST REMAIN INDEPENDENT AND NOT OFFER ANY ADVICE OR MAKE RECOMMENDATIONS

THE ULTIMATE RESPONSIBILITY FOR THE PARISH COUNCIL'S ACCOUNTS, ASSETS AND RISK ASSESSMENT RESTS CORPORATELY WITH THE PARISH COUNCIL WHO MUST IDENTIFY IF AN ASPECT OF THIS PROCEDURE IS WEAK OR NOT BEING UNDERTAKEN EFFECTIVELY AND TAKE STEPS TO RECTIFY THE SITUATION.

SUBJECT	CHECKS	RESPONSIBLE	CHECKING FREQUENCY
1. GENERAL FINANCIAL MANAGEMENT	CASH BOOK IS MAINTAINED & UP TO DATE	RFO/PARISH COUNCIL	QUARTERLY
	CASH BOOK ARITHMETICALLY CORRECT		QUARTERLY
	BALANCES VERIFIED AGAINST BANK STATEMENT		MONTHLY (CURRENT A/C) QUARTERLY (OTHER SAVINGS A/C)
	RECORD AGREES WITH INVOICES/RECEIPTS		EACH MEETING
	FINANCIAL STATEMENT FROM RFO RECEIVED AND CONSIDERED AND MINUTED		EACH MEETING
	REPORT FROM RFO CONSIDERED BY PC AND MINUTED		EACH MEETING
	YEARLY REPORT FROM INTERNAL AUDITOR CONSIDERED BY PC AND MINUTED		HALF YEARLY

NOTES

FO = FINANCIAL OVERSEER OR IF NONE ANY MEMBER

QUARTERLY = SEPTEMBER, DECEMBER, MARCH, JUNE.

ANNUALLY = MAY UNLESS SPECIFIED OTHERWISE.

SIGNATORIES ARE ANY TWO PARISH COUNCILLORS. PAYMENTS ALWAYS AUTHORISED BY FORMAL RESOLUTION AT P.C. MEETING, IN ADVANCE EXCEPT IN AN EMERGENCY WHEN ACTION WILL BE AUTHORISED BY THE CLERK AND/OR CHAIRMAN IN ACCORDANCE WITH STANDING ORDERS AND REPORTED TO THE NEXT MEETING.

2. FINANCIAL REGULATIONS	STANDING ORDERS FORMALLY ADOPTED	PARISH COUNCIL	ANNUALLY MAY	
	FINANCIAL REGULATIONS ARE UP-TO-DATE			
	A) STANDING ORDERS	CORRECT NUMBER OF ESTIMATES, QUOTES, TENDERS HAVE BEEN OBTAINED (COMPETITIVE PURCHASING) PROPER PURCHASE AUTHORITY IS IN PLACE	FO/RFO	MONTHLY WHEN APPROVING QUOTES OR PAYMENT
		PROPER LEGAL POWER HAS BEEN IDENTIFIED FOR EXPENDITURE		EACH MEETING
	B) PAYMENT CONTROLS	CHEQUES SIGNED ANY TWO AUTHORISED SIGNATORIES	SIGNATORIES & FO	EACH MEETING
		SUPPORTING PAPERWORK CONFIRMS THERE IS A FULLY APPROVED INVOICE	RFO/FO	EACH MEETING
		VAT IDENTIFIED & RECLAIMED REGULARLY		ANNUALLY
		MONITOR & RECORD SECTION 137 EXPENDITURE		WHEN PRESENTED
3. RISK ARRANGEMENTS	FORMAL REVIEW OF RISK ASSESSMENT	PARISH COUNCIL	ANNUALLY (MAY)	
	REVIEW OF INSURANCE IS UNDERTAKEN & MINUTED	RFO	ANNUALLY (MAY)	
	REGISTER OF ASSETS IS UP-TO-DATE		ONGOING	
	REGULAR CHECKS OF ASSETS UNDERTAKEN (E.G. PLAY EQUIPMENT NO LESS FREQUENTLY THAN MONTHLY; BINS & BENCHES, NO LESS FREQUENTLY THAN ANNUALLY, TREES ANNUALLY	TREE WARDEN/ CLERK AS APPROPRIATE	WEEKLY, MONTHLY & ANNUALLY AS APPROPRIATE	
	ANNUAL ASSETS REVIEW	PARISH COUNCIL	ANNUALLY (JAN)	
	ANNUAL REVIEW OF CONTRACTS	PARISH COUNCIL	ANNUALLY (MAY)	
	ORIGINAL MINUTES PROPERLY NUMBERED AND KEPT SAFELY	RFO ALL MEMBERS	HALF YEARLY	
	REGISTERS OF MEMBERS' INTERESTS IS UP-TO-DATE		ONGOING	
INTERNAL FINANCIAL CONTROLS DOCUMENTED & REVIEWED	RFO / PARISH COUNCIL	ANNUALLY (MAY)		

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4. BUDGETARY CONTROLS	REVIEW OF BUDGET IS UNDERTAKEN & MINUTED	RFO/PARISH COUNCIL	ANNUALLY (MAY)
	ENSURE PRECEPT IS IN LINE WITH BUDGET		HALF YEARLY
	REGULAR REPORTING OF EXPENDITURE IS MINUTED		EACH MEETING
	VARIANCES FROM BUDGET ARE REPORTED & MINUTED		QUARTERLY
	ENSURE ADEQUATE GENERAL RESERVES ARE MAINTAINED		ANNUALLY (MAY)
5. INCOME CONTROLS	PRECEPT IS PROPERLY RECORDED & PROMPTLY BANKED	PARISH COUNCIL	HALF YEARLY
	INCOME PROPERLY AND PROMPTLY RECORDED & PROMPTLY BANKED		ONGOING
	PRECEPT RECORDED IN CASHBOOK AGREES TO THE DISTRICT COUNCIL'S NOTIFICATION		HALF YEARLY
	SECURITY CONTROL OVER CASH ADEQUATE & EFFECTIVE		ONGOING
	MEMBERS RECEIVING CASH ON THE PC'S BEHALF NOTIFY THE RFO IMMEDIATELY & ARRANGEMENTS MADE TO BANK WITHIN 24 HOURS		ONGOING
6. PETTY CASH PROCEDURES	NO PETTY CASH USED. REIMBURSEMENT TO THE CLERK OR MEMBERS ON RECEIPT OF INVOICE (LGS SERVICES) OR WRITTEN REQUEST FROM MEMBER FOR OUT OF POCKET EXPENSES INCURRED WITH PRIOR APPROVAL OF THE PC, ON THE PC'S BEHALF.	RFO	MONTHLY
	PETTY CASH REIMBURSEMENT CARRIED OUT REGULARLY	RFO	MONTHLY

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7. PAYROLL CONTROLS	PAYE PROPERLY OPERATED BY THE COUNCIL AS AN EMPLOYER	PARISH COUNCIL	ANNUALLY
	REVIEW OF CLERK'S CONTRACT		ANNUALLY
	REVIEW OF OTHER EMPLOYEES CONTRACTS (AS APPROPRIATE)	PARISH COUNCIL	ANNUALLY
	SALARIES PAID AGREE WITH THOSE APPROVED BY COUNCIL	RFO	MONTHLY
	OTHER PAYMENTS TO THE CLERK REASONABLE FOR ADDITIONAL HOURS WORKED WHICH SHOULD BE AGREED BY THE CHAIRMAN AND/OR PC FOR LARGE PROJECTS OR ADDITIONAL MEETINGS	CHAIRMAN	ONGOING
	WHERE AN OFFICER OR MEMBER HAS AN INTEREST IN A PAYMENT THEN THEY SHOULD BE EXCLUDED FROM THE PROCESS OF APPROVAL BY LEAVING THE MEETING THEN THE PAYMENT IS CONSIDERED AND APPROVED. (ADDED Sept 2011)	PARISH COUNCIL	ONGOING
8. ASSET CONTROLS	ASSET REGISTER KEPT OF ALL MATERIAL ASSETS OWNED		ANNUALLY
	ASSET/INVESTMENT REGISTER UP TO DATE	FO	ANNUALLY
	ASSET INSURANCE VALUATIONS AGREE WITH THOSE IN ASSET REGISTER		ANNUALLY
9. BANK RECONCILIATION	BANK RECONCILIATION FOR EACH ACCOUNT	RFO	MONTHLY (CURRENT A/C) QUARTERLY (ON SAVINGS A/Cs)
	BANK RECONCILIATION CARRIED OUT REGULARLY ON RECEIPT OF STATEMENTS	RFO	QUARTERLY

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10. YEAR-END PROCEDURES	YEAR-END ACCOUNT PREPARED ON THE CORRECT ACCOUNTING BASIS	RFO / PARISH COUNCIL	ANNUALLY (MAY)
	ACCOUNTS AGREE WITH THE CASH BOOK		ANNUALLY (MAY)
	AUDIT TRAIL FROM UNDERLYING FINANCIAL RECORDS TO THE ACCOUNTS		ANNUALLY (MAY)
	DEBTORS & CREDITORS PROPERLY RECORDED		ANNUALLY (MAY)
	NOTIFY THE PUBLIC OF ITS RIGHT TO INSPECT THE ACCOUNTS	RFO/PARISH COUNCIL	ANNUALLY (MAY)
	DISPLAY COPY OF STATEMENT OF ACCOUNTS ON COMPLETION OF AUDIT		ANNUALLY FOLLOWING COMPLETION OF AUDIT (MAY)
	YEAR-END ACCOUNTS APPROVED & SIGNED		ANNUALLY – BY END OF JUNE
	STATEMENT OF ASSURANCE CONSIDERED AND SIGNED		ANNUALLY BY END OF JUNE
INTERNAL AUDITOR & EXTERNAL AUDITOR OBSERVATIONS AND REQUESTS CONSIDERED AND WHERE APPROPRIATE IMPLEMENTED	HALF YEARLY & ANNUALLY		

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11. OTHER	(IN EVENT OF FIRE AT PC OFFICE OR CLERK'S HOME) SEPARATE RECORD OF ACCOUNTS STORED ELECTRONICALLY OFF SITE	FO	EMAILED QUARTERLY TO FO
	COPIES OF ALL PC MINUTES	FO	MONTHLY
	ALL ORIGINAL COPIES OF DEED, LEASES OR OTHER LEGAL DOCUMENTS TO BE PHOTOCOPIED AND THE ORIGINALS TO BE ARCHIVED WITH COUNTY RECORDS OFFICE OR PC'S SOLICITOR	PARISH COUNCIL	ANNUALLY
12 GENERAL	HEALTH & SAFETY POLICY. REQUIRED ONLY IF COUNCIL HAS MORE THAN FIVE EMPLOYEES HOWEVER RECOMMENDED FOR ALL COUNCILS	PARISH COUNCIL	ANNUALLY
	ACCIDENT BOOK TO RECORD ALL ACCIDENTS ON PC LAND OR ASSETS OR TO STAFF DURING WORK	RFO	ANNUALLY
	THE PARISH COUNCIL WILL APPOINT SUCH PROFESSIONALS AND OR THE SERVICES OF A SOLICITOR (OR FIRM OF SOLICITORS) TO ADVISE THE COUNCIL ON MATTERS AS APPROPRIATE WHICH ARE DEEMED BEYOND THE REMIT OF THE CLERK	PARISH COUNCIL	ONGOING
	THE PC WILL IDENTIFY AND CONSIDER ALL OTHER RISKS AS THEY OCCUR AND WILL MODIFY THIS LIST AS APPROPRIATE	PARISH COUNCIL	ONGOING
13. STAFF	IN THE EVENT OF THE CLERK BEING INCAPACITATED OR RESIGNING, THEN THE PARISH COUNCIL WILL APPOINT AN ACTING CLERK UNTIL THE PERMANENT POSITION CAN BE FILLED	PARISH COUNCIL	AS NECESSARY

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