

Pointon & Sempringham Parish Council – Financial Risk Assessment

	Internal Control Tests	Findings
1	Proper Booking	
1.1	Is the cashbook maintained and up to date? Format used?	Computerised cashbook based on Spreadsheet with full analysis coding's for income and expenditure is maintained and is up to date.
1.2	Is the Is the cashbook arithmetically, correct?	The correctness of the cash book is proven by regular bank reconciliations.
1.3	Is the cashbook regularly balanced?	The cashbook balance is reconciled to each bank account monthly, and minuted at Council meetings. Quarterly review of budget to actual, with notes on any variances, being reported to the Full Council
2a	Standing Orders & Financial Regs	
2.1	Has the Council formally adopted standing orders and financial regulations, & dates approved?	Standing Orders were updated and ratified by the full Parish Council on the 19 th July 2022. Financial Regulations were update and ratified by the Full Council on the 19 th July 2022.
2.2	Has an RFO been appointed with specific duties noted in both contract & Fin. Regs	An RFO has been appointed and the RFO and the specific duties and levels of responsibility are included within the Financial Regulations and Scheme of Delegation (Ordinary).
2.3	Have items or services above a de minimis amount been competitively purchased?	There is an emergency limit of £150 for extreme risk of delivery of services and the large contracts are subject to normal tendering arrangement
2b	Payment Controls	
2.4	Are payments in the cashbook supported by invoices, authorised and minuted	All expenditure is supported by proper vouchers, which are checked for accuracy (including VAT) and fully cross-referenced by voucher number to the cashbook. All cheques are signed by any two Councillors who sign the payment requisitions and one officer. E Payments are used where appropriate to make payment and these are input by the RFO and invoices verified by the Parish Clerk (where applicable and authorised by 1 councillors prior to payment).
2.5	Has VAT on payments been identified, recorded and reclaimed? Frequency, & refunds into which A/c?	Proper VAT vouchers are retained, and VAT is reclaimed before year end as a minimum using the HMRC online facility
2.6	Is s137 expenditure separately recorded and within statutory limits?	Section 137 payments (when utilised) are coded separately in the cashbook, with details shown in Year-end accounts, & were within limits for previous year.

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3	Risk Management & Arrangements	
3.1	Internal auditor scans the minutes to identify any unusual financial activity, projects, event etc.?	The minutes of the various committees will recommend action regarding income and expenditure, and these will then be confirmed by the Full Council monthly unless the expenditure is within the committee's agreed budget
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas regularity of checks & documentation	Cllr Clarke reports the annual which are e conducted by Playsafety Ltd; weekly inspections on play area carried out by Cllr Clarke ; Annual inspections of the Pavilion by 3 Cllrs and the clerk and tree inspections yearly.
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company?	Insurance cover is held with Zurich (policy no YLL-2720858253 on a standard Local Council policy basis. Policy until 31.5.23. Public Liability cover is £10m.
3.4	Are internal financial controls documented and reviewed regularly?	This risk assessment was adopted 22 nd November 2022 for the Council's financial systems' internal controls and is done annually.
4	Budgetary Controls	
4.1	Has the Council prepared an annual budget in support of its precept? Council minute & date?	Annual budget is started in November and presented to the Full Council in December for them to ratify. It is then minuted before being confirmed with SKDC mid-January.
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	The RFO formally presents a quarterly budget update summary (with detailed Income and Expenditure) to Full Council for perusal.
4.3	Are there any significant and unexplained variances on budget?	The RFO will detail and explain any major variances, with any suggestions for transfer between budget heads, to each quarterly meeting
5	Income Controls	
5.1	Is income properly recorded? Yearly review of scale of fees?	Invoices for lettings are raised monthly. When invoices are paid the invoice is moved into the paid file, and any unpaid invoices are then chased for payment. Income is cross-referenced by invoice number in the ledger. Other receipts come from grants and bank interest.
5.2	Does the precept recorded in the cashbook agree to the DC's notification?	The precept receipt for April is noted in the cashbook and minuted at the next available Parish Council meeting.
6	Payroll Controls	
6.1	Do staff salaries/wages paid agree with those approved & minuted by the Council & what is review frequency?	A full review of both the Litter Picker and Clerk have been completed and whilst the clerk is on the relevant Local Government Pay Scales the Litter Picker is on minimum wage. Annual review prior to budget setting process to be implemented.

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6.2	Are other payments to the Clerk reasonable and approved by the Council?	There are few receipted expenses paid, mainly mileage for Clerk, separately to the monthly salary payment.
6.3	Have PAYE/NIC/Pensions been properly operated by Council as an employer? Payment frequencies/method?	The RFO uses HMRC basic PAYE tools to calculate all salaries and wages including PAYE and NIC. The RFO prepares the monthly payroll run for the clerk and the 4 weekly pay for the litter picker, signing the documentation. Payments then made by credit transfer from the Treasurers Account direct to staff. At the present with no access to online banking the Clerk's wage is being paid by cheque. HMRC by cheque payment.
7	Assets Control	
7.1	Does Council keep an asset register of all assets owned incl. Serial nos.? Annual physical check noted?	A full asset register is maintained showing location, cost, date bought, date Disposed. Renewal/ Insurance value costs will need to be added. Serial nos. will be added for all IT & office electrical items.
7.2	Are the Asset/Investments registers up to date incl. disposals? Note all Investments held with a/c nos.	Asset register is maintained on a regular basis for purchases and disposals. Insurance updated at renewal unless large items require immediate cover. Playing Field land needs to have a value obtained.
7.3	Do asset insurance valuations agree with those in the asset register?	Insurance valuations should be prepared on an individual equipment basis and grouped for inclusion within the statement of accounts each year. An annual inventory check of assets is now conducted & the register signed /dated by Clerk.
8	Bank Reconciliation	
8.1	Is there a Bank reconciliation for each account held?	Yes – These are carried out by the RFO for each bank account held and amounts cross-checked by the Chairman
8.2	Are Bank reconciliations conducted on receipt of statements & with what frequency	Yes, monthly bank reconciliations of the accounts are prepared when the bank statements are received, or online statements produced.
8.3	Are there any unexplained balancing entries in any reconciliation?	No. Monthly reconciliations are printed out and signed by the Chair, apart from once a quarter when they must be checked and signed by another signatory
9	Year End Procedures	
9.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Receipts and Payments

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9.2	Do the accounts agree with the cashbook.	The Final accounts can be fully agreed with the analysed cashbook and Trial Balance confirming balances held.
9.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments	A full trial balance is printed and agreed at year-end, grouping items for the statement of accounts. Audit trail information already detailed above, refer to 2.4 and 5.1.
9.4	Where appropriate, have debtors and creditors been properly recorded? Are year-end, General & Earmarked reserves held at reasonable levels	Full summary analysis of debtors and creditors is prepared with the trial balance figures, with attached outstanding invoices held with Year-end documentation. General Reserves – Earmarked Reserves The Parish Council should use the executive checklist for its Year-end procedures to enhance its monitoring role and to confirm that all the internal control framework is fit for purpose. (Reference: NALC Governance and Accountability for Smaller Authorities in England)
10	Review	
10.1	Is there an established process for the review of this document	Review of the Financial Risk Assessment is specified as an annual responsibility for the Parish Council at the May Meeting.