

COMPTON PARISH COUNCIL: Financial Risk Assessment

No	Internal Control Tests	Findings
1	Proper Book-keeping	
1.1	Is the cashbook maintained and up to date?	Cashbook, run through Rialtas Business Systems, with full analysis codings for income and expenditure, is regularly maintained and up to date.
1.2	Is the cashbook arithmetically correct	Bank reconciliations are carried out each month and prove the correctness of the cashbook
1.3	Is the cashbook regularly balanced	The cashbook is reconciled to each bank account monthly and minuted at Parish Council meetings. Spend against budget is reviewed at each meeting.
2a	Standing Orders and Financial Regulations	
2.1	Has the Council formally adopted Standing Orders and Financial Regulations, and minuted the dates approved	Standing Orders and Financial Regulations are reviewed, updated if necessary, and approved at the Council's Annual Meeting in May of each year.
2.2	Has an RFO been appointed with specific duties noted in both contract and Financial Regulations	Yes, an RFO has been appointed, with specific duties recorded in contract and in Financial Regulations.
2.3	Have items of services above the de minimum amount been competitively purchased	Larger contracts are subject to normal tendering arrangements.
2b	Payment controls	
2.4	Are payments supported by invoices, authorised and minuted	All expenditure is supported by vouchers, which are checked for accuracy by the RFO. All payments are authorised by three councillors or more and presented to Council each month for ratification. Electronic payments are input by the Clerk and RFO.
2.5	Has VAT payments been identified, recorded and reclaimed	VAT vouchers are retained and VAT reclaimed on a quarterly basis, using the HMRC online facility.
2.6	Is S106 expenditure separately recorded and within statutory limits	S106 payments are coded separately in the cashbook.
3.	Risk Management arrangements	
3.1	Internal auditor scans minutes to identify any unusual financial, project or event activity	All unusual activity, whether financial or otherwise, is documented and described in Parish Council minutes and is available to the internal auditor
3.2	Do the minutes record annual risk assessments	Risk assessments are carried out on a regular basis and recorded. Annual playground risk assessments are conducted by the Play Inspection Company Ltd and are recorded.
3.3	Is Insurance cover appropriate and adequate	Insurance cover is held with Zurich and is reviewed on an annual basis. Cover is appropriate to the size of the Council.
3.4	Are internal financial controls documented and reviewed	They are reviewed on an annual basis
4.	Budgetary controls	

4.1	Has the Council prepared an annual budget in support of its precept	The annual budget is prepared in November of each year and ratified at Full Council in January, before the precept request is sent to the Borough Council.
4.2	Is expenditure against budget regularly reported to the council and minuted	A report of expenditure against budget is presented to Full Council is presented each meeting and minuted.
4.3	Are there any significant and unexplained variances on budget	The RFO will explain any major variances, and recommend transfer between budget headings if appropriate
5.	Income controls	
5.1	Is income properly recorded and promptly banked Yearly review of scale of fees	All income is recorded and promptly banked.
5.2	Does the precept recorded in the cashbook agree to the Borough Council's notification	The BC's notification is held on file, the precept income noted in the cashbook.
5.3	Are security controls over cash adequate	The Parish Council holds no cash.
6.	Petty Cash procedures	
6.1	Is petty cash spend recorded and reported	The Parish Council holds no petty cash. All expenditure is reclaimed on production of production of receipts
7.	Payroll controls	
7.1	Do staff salaries agree with those approved by Council	Staff salaries are agreed and minuted. Currently the Council employs a Clerk.
7.2	Are other payments to the Clerk reasonable and approved by the Council	The Clerk's expenses for items purchased for the Council are minuted and approved.
7.3	Has PAYE/NIC been properly operated by the Council as an employer	The Council uses 12Pay payroll tools to operate PAYE/NIC, receives payslips itemising payments due and makes the appropriate payments to the Clerk and HMRC
8	Assets controls	
8.1	Does the Council keep an asset register of all assets owned and their value	A full asset register is maintained showing location, cost, date bought, date disposed of.
8.2	Is the asset register up to date	It is reviewed on an annual basis
8.3	Do asset insurance valuations agree with those in the asset register	The register is compared with the insurance inventory on an annual basis
9.	Bank reconciliation	
9.1	Is there a bank reconciliation for each account held	Yes, carried out each month by the RFO
9.2	Are bank reconciliations conducted on receipt of statements	They are conducted on a monthly basis
9.3	Are there any unexplained balancing entries in any reconciliation	no
10	Year End Procedures	

10.1	Are year end accounts produced on receipts and payments or income and expenditure basis	Income and expenditure basis
10.2	Do accounts agree with the cashbook codings	Yes, final accounts agree with the analysed cashbook and trial balance
10.3	Is there an audit trail from underlying and financial records to the accounts	A full trial balance is agreed at year end, together with the full list of codings.
10.4	Are debtors and creditors properly recorded. Are year end general and earmarked reserves held at reasonable levels	Full summary of debtors and creditors is prepared with the trial balance figures. All reserves are documented and managed.
11	Review	
11.	Is there an established process for the review of this document	This financial risk assessment is reviewed on an annual basis, at the Annual Council Meeting.