

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

### AIMS:

- The Council's business is conducted in accordance with the law, regulations and proper practices.
- Public money is safeguarded and properly accounted for.
- Risk to staff, contractors and the public is identified and managed.

### 1: Financial management and preparation of accounting statements

#### Key risks:

- Misstatement of financial records
- Non-compliance with the law, particularly the Local Government Act 1972, and other regulations
- Loss of public money through fraud or error

**Key controls:** Arrangements for effective financial management are in place during the year, and for the preparation of the accounting statements.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
Budgeting	The Council prepares and approves a budget in a timely manner before setting a precept, prior to the commencement of the financial year.	Annual	Prepared by the Clerk Approved by the Council	
	The Council monitors actual performance against its budget during the year, taking corrective action where necessary.  The Clerk prepares for review details of all Council expenditure since the last meeting and details this against the Councils budget	At each meeting	Prepared by the Clerk	
	Clerk checks sufficient funds and budget are available when expenditure is incurred.	For each item of expenditure	Clerk	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	A financial appraisal is undertaken before the Council commences any significant project or enters into any long term commitments.	As needed	Council	
<b>Accounting records and supporting documents</b>	Parish Council has appointed a Responsible Finance Officer to be responsible for the financial administration of the authority in accordance with section 151 of the Local Government Act 1972	When staff change	Jacky Fleming (Clerk) appointed as Responsible Finance Officer (RFO)	
	RFO has determined a system of financial controls and discharged her duties under Regulation 4 of the Accounts and Audit Regulations 2015. Key controls are listed here and in the Financial Regulations of the Council.	Ongoing	RFO	
	RFO has put in place effective procedures to accurately and promptly record all financial transactions, and maintain up to date accounting records throughout the year, together with all necessary supporting information: <ul style="list-style-type: none"> <li>• RBS Alpha accounts software with copies of all payments approved by the Council</li> <li>• Clerk examines entries on the accounts schedule before submission to the Council.</li> </ul>	Weekly	RFO	
	<ul style="list-style-type: none"> <li>• The RFO prepares a reconciliation to show how the figures in the annual return reconciles to the cashbook and accounting records in RBS software.</li> </ul>	Annually	RFO Council	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	<ul style="list-style-type: none"> <li>Councillors see this reconciliation when they are asked to approve the statement of accounts in the annual return.</li> </ul>			
	Computerised records are backed up on Norton cloud	Monthly	Clerk/RFO	
<b>Bank reconciliation</b>	Statements reconciling each of the Council's bank accounts with its accounting records are prepared monthly by the Clerk through RBS software including at the financial year-end, and signed by chair of the council.	Prepared monthly and signed at each meeting	Clerk and Chair	
<b>Investments</b>	Any amounts surplus to requirements are invested appropriately, in accordance with an approved strategy which has regard to DCLG's statutory Guidance on local government investments.  All reserves are held in a Business Reserve account	Monthly	Clerk	
<b>Statement of accounts</b>	Preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices.	Annually	Clerk/RFO	
	The RFO certifies it as properly presenting its receipts and payments. In so certifying the RFO confirms that proper practices have been followed in preparing the statement of accounts.	Annually	Clerk/RFO	
	After the RFO has signed the statement of accounts, the Council considers it and approves it by resolution.	Annually	Chair	

**Stanstead St Margarets Parish Council Risk Assessment and Key controls**

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	The Chair confirms, by signing and dating the statement that the accounts have been approved by the authority in accordance with the Accounts and Audit Regulations 2015.		Council	
	The Council appoints an external auditor to audit the annual return to provide assurance on the completeness and accuracy and compliance with regulations.	Annually	Clerk/RFO	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

### 2: Internal Control

#### Key risks:

- Misstatement of financial records
- Loss of public money through fraud or error
- Legal challenge or penalty to the Council or individuals arising from non-compliance with the law, particularly the Local Government Act 1972, and other regulations.

#### Key controls:

- The Council maintains an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviews its effectiveness in accordance with Regulation 6 of the Accounts and Audit Regulations 2015. The review informs the Council's preparation of its annual governance statement.
- Section 150(5) of the Local Government Act 1972 required cheques or orders for payment to be signed by two elected members. Whilst this requirement has now been repealed, the Council must put in place safe and efficient arrangements.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
<b>Standing Orders and Financial Regulations</b>	<p>The Council has in place standing orders and financial regulations governing how it operates.</p> <p>Financial regulations incorporate provisions for:</p> <ul style="list-style-type: none"> <li>• When tenders are required and the procedures to follow.</li> <li>• How expenditure is authorised.</li> </ul> <p>These are regularly reviewed to ensure they remain fit for purpose and adhered to.</p>	Reviewed annually	<p>RFO ensures any changes in legislation or guidance are implemented</p> <p>Approved by the Council</p>	
<b>Safe and Efficient Arrangements to Safeguard Public Money</b> (Where doubt exists over what constitutes	RFO has formal responsibility for ordering goods and services, incurring liabilities, managing debtors, making payments and handling receipts.	Ongoing	RFO	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
money, the presumption is that that it falls within the scope of these controls).				
	All payments are listed on a schedule and authorised for payment by the Council and signed by the Chair.	At each meeting	RFO Chair Council	
	The current Nat West bank account does not support electronic payments.	N/A	RFO	
	The Clerk/RFO prepares cheques, which are signed by 2 Councillors in accordance with the bank mandate, after checking the invoice. Cheque stubs are initialled by the Councillors.	At each meeting	RFO	
	All cheque books are posted to the Clerk/RFO. Cheques are stored in a locked drawer.	As needed	RFO	
	Banking Procedures and controls are set out in the Financial Regulations.	As needed	RFO	
	Changes to bank accounts/banking arrangements are approved by the Council.	As needed	RFO	
	The Council approves every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.	On change of Councillors	RFO	
	The Council does not use of payment cards.	As needed	RFO	
	Incoming cash and cheques are stored securely by the Clerk and banked within 2 working days.	Ongoing	RFO	
	No petty cash is held.			
	The RFO undertakes relevant training as needed.	As needed	RFO	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	Fidelity Insurance in place against theft of funds by staff, councillors and other persons.	Annually	RFO Council	
<b>Employment costs</b>	The remuneration payable to the clerk is approved in advance by the Council.	Annually	Council	
	<ul style="list-style-type: none"> <li>Payroll arrangements cover the accuracy and legitimacy of payments of salaries and wages, and associated liabilities. Clerk's payroll is independently calculated by the contracted bookkeeper(Dual2 Ltd) to provide segregation of duties.</li> <li>The Council is a member of the Hertfordshire local government pension scheme and meets its pension obligations.</li> </ul>	Monthly	Council	
<b>VAT</b> The Council has robust arrangements in place for handling its responsibilities.	The VAT account is reconciled to the financial accounts.	Monthly	RFO	
	VAT reclaimed promptly at year end.	Annually		
<b>Fixed Assets and Equipment</b> The Council's assets are secured, properly maintained and efficiently managed. Appropriate procedures are followed for asset	<ul style="list-style-type: none"> <li>The Clerk maintains a register of the fixed assets at cost.</li> <li>It is subject to annual review for accuracy by the Council</li> </ul>	Annually (updated as assets are acquired or disposed)	Cler	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
disposal and for the use of any resulting capital receipt.				
	Disposal of assets is in accordance with the Council's Financial Regulations	As required	Clerk	
	Deeds and other legal documents are stored securely.	Ongoing	Clerk	
	An adequate level of insurance is maintained and reviewed annually	Annually	Clerk	
<b>Loans and Long Term Liabilities</b> Loans are only entered into after the authority is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements need to be in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities.	The Council does not enter loans or long term liabilities.			
<b>Review of effectiveness</b>	The Council conducts an annual review of the effectiveness of the system of internal control.	Annually	Clerk/ Council	

### 3: Compliance with laws, regulations and proper practices



## Stanstead St Margarets Parish Council Risk Assessment and Key controls

### Key risks:

Legal challenge or penalty to the Council or individuals arising from non-compliance with the law.

### Key controls:

- The Council takes all reasonable steps to ensure that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on its ability to conduct its business or on its finances.
- Decision making processes are in place to ensure that all activities undertaken fall within an authority's powers to act under the Local Government Act 1972.
- If the Council seeks to exercise a General Power of Competence under the Localism Act 2011, it ensures that the power is fully understood and exercised in accordance with the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012.
- The Council complies with the Accounts and Audit Regulations 2015.
- The Council complies with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 which require all authorities to prepare a statement of accounts for each financial year in accordance with proper practices.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
<b>The Council acts within its powers as controlled by statute in the Local Government Act 1972</b>	The clerk ensures that any decisions or payments being made are not <i>ultra vires</i> , i.e. that the authority has the lawful power to make the decision, and that the exercise of legal powers is always carried out reasonably.	As needed	Clerk	
<b>General Power of Competence under the Localism Act 2011 is properly exercised</b>	The Clerk receives technical updates and training from SLCC and HAPTC to ensure that the Council always understands the power(s) they are exercising in the context of their decision making.  In case of doubt, the Clerk consults HAPTC for advice.	As needed	Clerk	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
<b>Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015</b>	<ul style="list-style-type: none"> <li>Statement of accounts are subject to external audit.</li> <li>The Governance &amp; Accountability Guide 2016 (published by the SLCC and NALC) is used as a reference to ensure compliance with relevant requirements.</li> <li>RFO/clerk attends training as required.</li> </ul>	Annually	Clerk/RFO	
<b>Employment of staff</b>	<p>The Council ensures that it complies with its duties under employment legislation.</p> <p>In case of doubt, the Clerk consults HAPTC for advice.</p>	Ongoing	Clerk	
<b>Compliance with the Data Protection Act</b>	<p>The Council ensures that it complies with the Data Protection Act.</p> <p>The Council is registered with the ICO</p>	Ongoing	Clerk	
<b>Compliance with the Freedom of Information Act</b>	The Council will prepare and publish a records management policy	Ongoing	Clerk	Publish the schedule on the website
<b>Changes to legislation and regulations are identified and understood</b>	<ul style="list-style-type: none"> <li>The Clerk/RFO maintains membership of the SLCC and HAPTC and monitors notification of new requirements or changes to existing ones, and reports to the Council.</li> <li>The Clerk/RFO and councillors attend training and conferences as appropriate.</li> </ul>	Ongoing	Clerk/RFO Councillors	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	<p>The Council supports the clerk in the development of new policies and processes where required.</p> <p>Existing policies are reviewed on a defined schedule.</p>	As required	Clerk	The Council has a website and intends to Publish all policies on the website for improved accessibility and transparency

### 4: Exercise of public rights

**Key risks:** Electors do not have proper access to the financial records of the Council.

**Key controls:** The Council provides proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of Part 5 of the Accounts and Audit Regulations 2015, and as set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
<b>Exercise of public rights</b>	<ul style="list-style-type: none"> <li>The RFO will publishes Sections 1 and 2 of the annual return on the Council's website.</li> <li>A statement is published on the Parish Council noticeboard that sets out details of how public rights can be exercised in accordance with the requirements of Regulation 15(2)(b) the Accounts and Audit Regulations 2015.</li> </ul>	Annually	Clerk/RFO	

**Stanstead St Margarets Parish Council Risk Assessment and Key controls**

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	<ul style="list-style-type: none"> <li>The statement of accounts are approved in time for the RFO to comply with the duty to commence the period for the exercise of public rights so that it includes the first ten working days of July.</li> </ul>			
<b>External Auditor's Review</b>	A notice of the conclusion of the external auditor's limited assurance review of the annual return, together with relevant accompanying information, is published for at least 14 days on the Parish Council's noticeboard and on the Council's website in accordance with the requirements of Regulation 16 the Accounts and Audit Regulations 2015.	Annually	Clerk/RFO	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

### 5: Risk Management

**Key risk:** Risks relevant to the work and responsibility of the Council are not adequately managed, resulting in loss of public money, injury or other detriment to the public, electors, staff or contractors, and reputational damage to the Council.

**Key controls:** The Council carries out an assessment of the risks and takes appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
Clerk	Recruitment policy in place to ensure fair recruitment process.	When recruiting	The Council	
	Contract of employment with job description in place to ensure all rights and responsibilities are defined.	After confirmation of permanent employment.	The Council	
	Job description reviewed by the Council to ensure it remains current.	Annual	The Council	
	Annual appraisal by the Chair.	Annual	The Council	
	Matters relating to staff discussed in confidential (Part II) session of Council meetings.	As required	Clerk in conjunction with the Chair	
	Appropriate training offered for all identified needs.	As required	Chair & Clerk	
	Assessment of employee's work station carried out.	Upon appointment	Clerk	
	Reimbursement of cost of eye test for working at computer screen.	Annual	Clerk	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	Lone working policy in place.	Reviewed as per policy schedule	The Council	
	Adequate employer's liability insurance in place.	Annual	The Council	
<b>Maintenance contractors</b>	Risk assessment of activities carried out by contractors.	As needed	The Council	
	Contractors provided with safety equipment, which it is the contractors responsibility to use.	As needed	The Council	
	Contractors have own public liability insurance.	As needed	The Council	
<b>Work carried out by volunteers</b>	Event-specific risk assessments carried out.	As required	Event organiser	
<b>Street lights</b>	The Council does not have any responsibility for Streetlights			
<b>Key decisions made by the Council in the year</b>		As needed		
<b>Events sponsored by the Parish Council</b>	Events are required to comply with all relevant legislation.	As required	Event organiser	
<b>Website and social media</b>	The Council has a Website and Social Media Policy	As required	The Council	

## Stanstead St Margarets Parish Council Risk Assessment and Key controls

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned

### **6: Internal Audit**

**Key risks:** The Council is not aware of weaknesses in internal controls, resulting in risk of loss of public money or other detriment to the electors, and reputational damage to the Council

**Key controls:** The Council commissions a competent, independent internal auditor to provide an independent, objective evaluation of the effectiveness of risk management, control and governance processes and to report on whether the systems of financial and other internal controls over activities and operating procedures are effective.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
<b>Internal audit</b>	<ul style="list-style-type: none"> <li>The Council appoints a competent, independent internal auditor to evaluate the effectiveness of its risk management, control and governance processes considering internal auditing guidance for smaller authorities.</li> <li>The Council takes all necessary steps to facilitate the work of those conducting the internal audit, including making available all relevant documents and records and</li> </ul>	Annually	Clerk/RFO	

**Stanstead St Margarets Parish Council Risk Assessment and Key controls**

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
	supplying any information or explanations required. <ul style="list-style-type: none"> <li>• The Council reviews the effectiveness of the internal audit.</li> </ul>			



## Stanstead St Margarets Parish Council Risk Assessment and Key controls

### 7: Reports from Auditors

**Key risks:** The Council does not address known weaknesses in internal controls or non-compliance with legal requirements, resulting in risk of loss of public money or other detriment to the electors, and reputational damage to the Council

**Key controls:** The Council takes appropriate action on all matters raised in reports from internal and external audit.

Key process	Controls in place	Frequency	Responsibility	Additional controls required or planned
<b>Internal audit report</b>	The Council considers all matters brought to its attention by its internal auditor and takes corrective action as appropriate.	The Council	Annual	
<b>External audit report</b>	The Council considers all matters brought to its attention by its external auditor and takes corrective action as appropriate.	The Council	Annual	

### **Approved:**

Reviewed at a meeting of the Council	Date: 7.2.2017
Approved by the Council	Date: 7.2.2017
Chair Nigel Copping Signature	Date: 7.2.2017
Clerk: Jacky Fleming Signature	Date 7.2.2017