

## Mitford Parish Council – Risk Assessment of Financial and Non-Financial Internal Audit Controls

| No.          | Internal Controls  | Risks identified/potential for improvements/current procedure | Action Required |
|--------------|--|---|-----------------|
| <b>1.</b>    | <b>Governance</b>  |   |                 |
| 1.1<br>1.1.1 | <u>Standing Orders</u><br>Standing Orders have been adopted setting out the Council's constitution and procedures. They are reviewed at least every four years | Reviewed as and when required.                                | None.           |
| 1.2<br>1.2.1 | <u>Financial Regulations</u><br>The Clerk is the Responsible Financial Officer with the duties detailed in the Financial Regulations.                          |   |                 |
| 1.2.2        | Financial Regulations have been adopted which set out procedures. They are review at least every four years.   | Reviewed annually or as and when required.                    | None.           |
| 1.3<br>1.3.1 | <u>Freedom of Information</u><br>The Council has adopted the model publication scheme.   | Reviewed annually or as and when required.                    | None.           |

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| 1.4   | <u>Measures to Prevent Fraud and Corruption</u>  |   |   |
| 1.4.1 | The Council has adopted the NALC Model Code of Conduct.  | Reviewed annually or as and when required.                    | None.   |
| 1.4.2 | All Councillors sign a Declaration of Acceptance of Office on election or co-option.   | All received.   | None.   |
| 1.4.3 | All Councillors complete a Register of Interests and provide updated information as appropriate. Copies are held with the Council and Northumberland County Council. | All received.   | Reminders to be issued at each parish meeting for the need for these to be regularly reviewed and updated if necessary. |
| 1.4.4 | There is an agenda item for Councillor Declarations of Interests on every council agenda.  |   | None.   |
|       |  |   |   |
| 1.5   | <u>Insurable Risks</u>   | Renewed annually.   | None.   |
| 1.5.1 | Employers Liability Insurance (this is the only insurance the Parish Council is required to hold through legislation.  |   |   |

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| 1.6   | <u>External Audit Annual Governance Statement Requirements</u>   |   |  |
| 1.6.1 | Statement of accounts formally approved by Council.  | Approved at meeting before 30 <sup>th</sup> June 2025.        | None.  |
| 1.6.2 | Council only does things it has legal power to do and works within appropriate standards and codes of practice which could have a significant effect on the ability of the Council to conduct its business or on its finances. | Legal powers to be noted on precept/budget calculations.      | Council has adopted General Power of Competence. |
| 1.6.3 | Notice of audit displayed on the Council notice board to allow electors to inspect accounts as required by The Accounts and Audit Regulations 2015.  |   | None.  |
|       | Appropriate steps are taken to deal with matters raised in reports from Internal and External Auditors through agenda items on Parish Council meeting agenda.  |   | None.  |

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| 1.7<br>1.7.1 | <p><u>Proper Booking</u><br/>The cash book is balanced against the bank statements to ensure arithmetically correct when bank statements received.</p> <p>Cash book stored in locked cupboard.</p> <p>Budget/Precept reports are held on the Clerks computer and backed up onto USB flash drive and the cloud.</p> | No back up as manual system.                                  | <p>None.</p> <p>Possible move to computerised system.</p> <p>Regular backups to be made on a monthly basis. All updated files must be overwritten by the backup so that only the latest file version is retained.</p> |
| 1.8<br>1.8.1 | <p><u>Payment Controls</u><br/>A list of payments is prepared for the Parish Council meeting with the invoices also available for inspections These payments are presented at the Council meeting.</p>   |   | None.   |
| 1.8.2        | VAT is recorded in a separate column in the cashbook. Annual reclaims are made.  |   |   |

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| 1.8.3 | S137 payments are shown in a separate column in the cashbook.  |   | Council has adopted General Power of Competence. |
|       |  |   |  |
| 1.9   | <u>Budgetary Controls</u>  |   |  |
| 1.9.1 | The Council sets a budget which is approved and recorded in the minutes at the November Parish meeting.                                    |   | None.  |
| 1.9.2 | The Clerk presents an income and expenditure report to the Council at every meeting.   |   | None.  |
|       |  |   |  |
| 2.0   | <u>Income Controls</u>   |   |  |
| 2.0.1 | All income is recorded in the cashbook.  |   | None.  |
| 2.0.2 | Northumberland County Council issues a remittance advice which confirms the precept that is paid directly into the Council's bank account. |   | None.  |
|       |  |   |  |
| 2.1   | <u>Payroll Controls</u>  |   |  |
| 2.1.1 | The Clerk is responsible for submitting all relevant information to the Inland Revenue.  |   | None.  |
| 2.1.2 | The Clerk is eligible to be paid travel expenses for any official mileage.   |   | None.  |

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| 2.2   | <u>Asset Controls</u>  |   |                    |
| 2.2.1 | An asset register with insurance valuation updates annually.   |   |                    |
| 2.2.2 | The list of assets is maintained and updated during the year, insurance cover extended for new acquisitions when appropriate. Copy presented to Councillors with annual statement of accounts. |   | Reviewed annually. |
| 2.2.3 | Insurance provider reviewed from time to time for competitive pricing.   |   |                    |
|       |  |   |                    |
| 2.3   | <u>Bank Reconciliation</u>   |   |                    |
| 2.3.1 | The bank account is reconciled by the Clerk.   |   | None.              |
| 2.3.2 | Regular bank reconciliations are undertaken by the Clerk and signed off on the bank statements.  |   | None.              |
| 2.3.3 | Any adjustments for interest/bank charges/unpaid cheques are noted in the cashbook if they occur.  |   | None.              |

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| 2.4   | <u>Year End Procedures</u>  |   |                 |
| 2.4.1 | Accounts are prepared on a payment and receipts basis.  |   | None.           |
| 2.4.2 | Full cross casting of the cashbook is agreed to the final accounts. The Chairman signs the cashbook.  |   | None.           |
| 2.4.3 | An audit trail is provided by recording the minute number and meeting date the payment was agreed.  |   | None.           |
|       |   |   |                 |
| 2.5   | <u>Qualifications of the Clerk</u>  |   |                 |
| 2.5.1 | The Clerk holds CilCA (Certificate in Local Council Administration) and is a Principle member of the Society of Local Council Clerks.   |   | None.           |
|       |   |   |                 |
| 2.6   | <u>Meetings</u>   |   |                 |
| 2.6.1 | The meeting policy is set out in Standing Orders, notices are provided three clear days before the meeting on the noticeboard. Draft minutes are published prior to the next meeting, time is set aside for public participation. |   | None.           |

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| 2.7   | <u>Communications</u>   |   |                 |
| 2.7.1 | The Parish Council has an accessible website.   |   |                 |
| 2.7.2 | The Parish Council has an email address that is widely published on noticeboards, emails and websites.  |   |                 |
| 2.7.3 | Parish Council information is placed on the noticeboard and updated as and when required.   |   |                 |
|       |   |   |                 |
| 2.8   | <u>Annual Report</u>  |   |                 |
| 2.8.1 | Annual Report is completed and published by 30 <sup>th</sup> June of the following year. It is available to any elector and includes a summary of accounts and the Chairman's overview, and is presented at the Parish Council meeting. |   | None.           |
|       |   |   |                 |



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| 2.9<br>2.9.1 | <u>Accounts</u><br>Accounts are prepared in accordance with statutory requirements, approved within three months of the accounting date and published within six months. |   | None.           |
| 3.0<br>3.1   | <u>Clerk's Contract</u><br>The Parish Council has adopted the national Association of Local Council's terms and conditions and contract of employment.                   |   | None.           |
| 3.1<br>3.1.1 | <u>Training</u><br>The Council has evaluated and identified training needs for staff and members.  | Training as and when required.                                |                 |
| 3.2<br>3.2.1 | <u>General Power of Competence</u><br>Two thirds of vacancies filled at last election.   |   | None.           |
| 3.2.2        | Clerk is CilCA qualified and has passed unit 7 – General Power of Competence.  |   | None.           |

Approved: 7<sup>th</sup> May 2025