

Hazelbury Bryan Parish Council

Governance Framework

Version 1.1, July 2009

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1 Executive Summary

This document is intended to be the single reference containing evidence of compliance of Hazelbury Bryan Parish Council against mandatory Governance requirements.

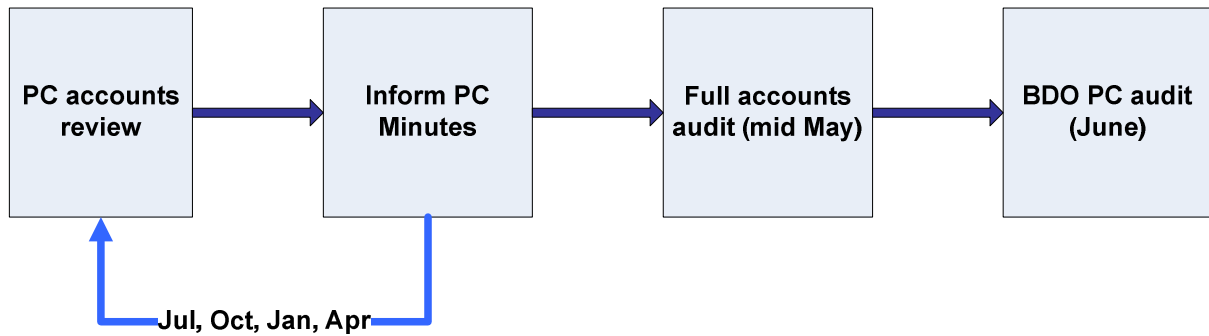
The format of the document is straightforward and has been broken down into sections; each section covers one of the 8 key external audit questions.

This is intended to be an organic, living document that will incorporate additions as they become available or relevant, for example, Financial Standing Orders will be included in their own Annex. Items of information that relate to Parish communications and the development of e-access to Parish matters will also find a place in this document.

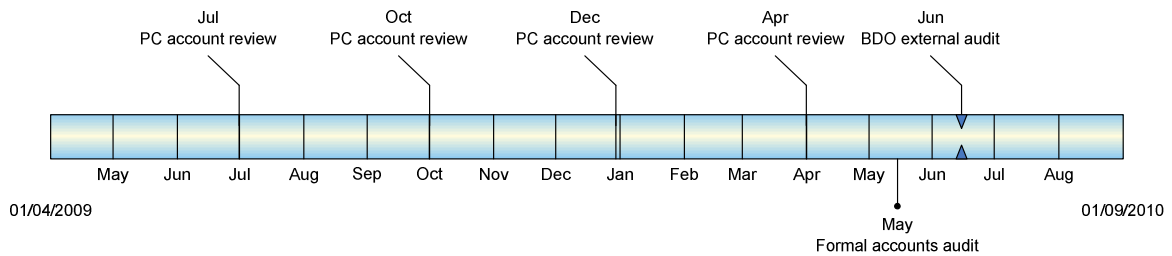
This document has been optimised for double-sided printing with a spiral binding. It is designed to open out in book form and contains both graphical indicators of tasks or activities and, critically, timelines that indicate key dates for tasks to be undertaken or completed.

2 “We have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.”

2.1 Process/Action(s) Required:



2.2 Key dates:



2.3 Summary of Evidence of Compliance

Through the year the administration of the accounts was monitored by the Councillors who are authorised signatories to the account. In addition the accounts were reviewed on a quarterly basis (July, October, January and April and a full audit by professional accountants in May for the previous year's accounts) by councillors who are not authorised signatories. These reviews are subsequently minuted at Parish Council Meetings.

Items for consideration on the HBPC Asset Register are:

Alec's Field

The Keep

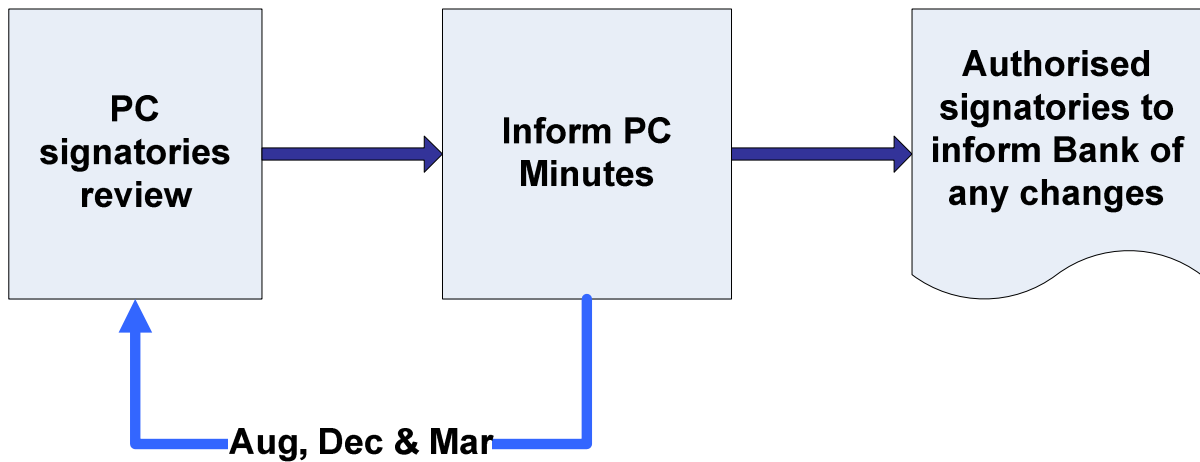
The Cemetery

The Village Hall land

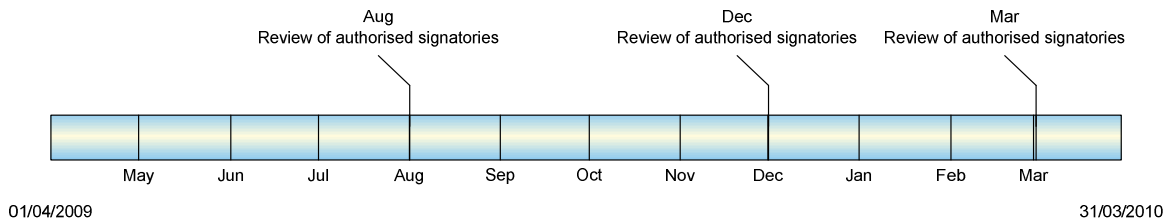
The value of the assets is assessed on an annual basis by a qualified surveyor.

3 “We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.”

3.1 Process/Action(s) Required:



3.2 Key dates:



3.3 Summary of Evidence of Compliance

Through the year the Parish Clerk has ensured that the list of authorised signatories has been maintained and lapsed signatories have been removed.

All changes will be reported in the in HBPC Minutes.

Only authorised signatories have been able to conduct payment transactions.

The Parish Clerk is authorised to make internal transfers between the council's savings account and the current account only.

A review has been conducted by all councillors at quarterly intervals to ensure compliance and the results minuted.

4 “We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances.”

4.1 *Process/Action(s) Required:*

Ongoing best practice during Parish Council business and compliance with the standard practices contained in appropriate reference works.

The Parish Clerk has registered for the CiLCA qualification to ensure she is familiar with the regulations and Codes of Practice.

4.2 *Key dates:*

Ongoing

4.3 Summary of Evidence of Compliance

A copy of "*Local Council Administration*"¹ has been purchased for reference by the Parish Clerk and the Parish Council. This is the standard reference work in this domain and has been acquired to allow Parish Councillors and the Parish Clerk to become familiar with appropriate Regulations, Codes of Conduct and Laws.

In all Parish Council Meetings there is a routine Agenda requirement to declare any vested interests on the part of Councillors prior to all discussions.

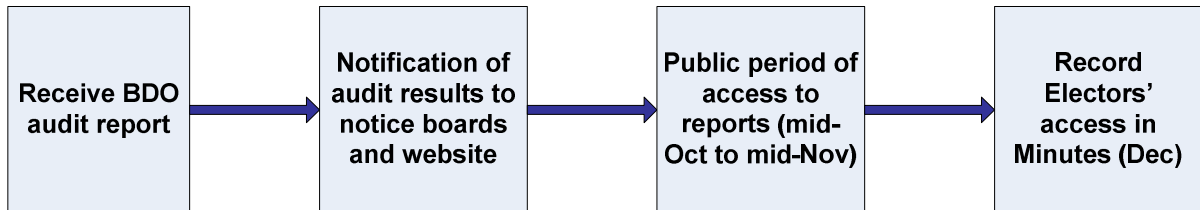
The Parish Council only discuss agenda items i.e. adherence to Parish Council matters.

Discussion of all additional items raised during the meeting is deferred and added to the Agenda for the next month if appropriate.

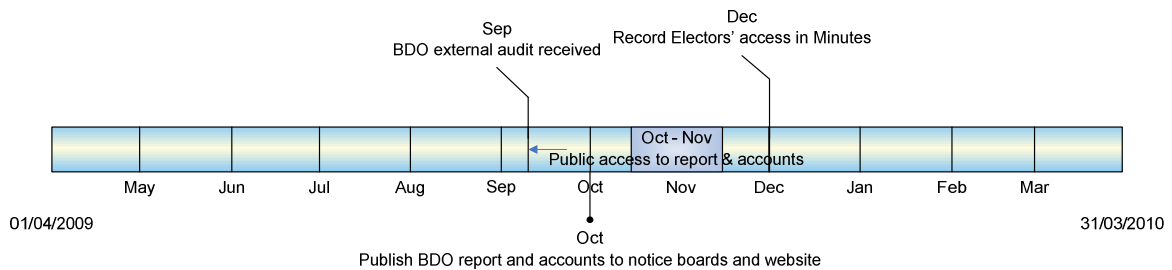
¹ "*Local Council Administration*", Arnold-Baker, C., 2006, pub. Butterworths, 7th Edition, ISBN 1405712961

5 “We have provided proper opportunity for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.”

5.1 Process/Action(s) Required:



5.2 Key dates:



5.3 Summary of Evidence of Compliance

The reports of internal and external auditors are recorded and displayed on appropriate notice boards and notices are posted indicating the availability of such reports for viewing through the Parish Clerk. The requirements for such display and notification have been complied with throughout the financial year.

All notice boards have been repaired and are now in weatherproof condition.

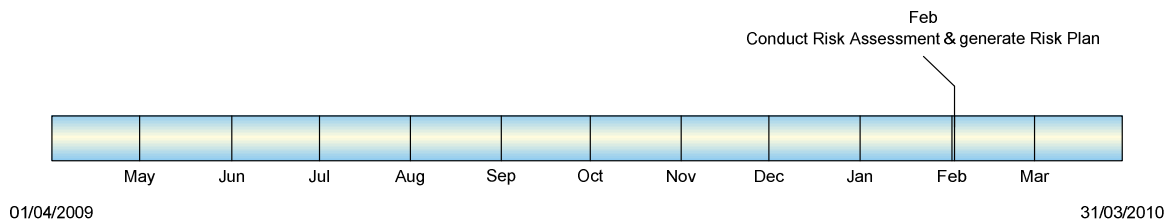
All Council notices are posted on the Hazelbury Bryan website under the Parish Council link.

6 “We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.”

6.1 Process/Action(s) Required:

Conduct risk assessment every February.

6.2 Key dates:



6.3 Summary of Evidence of Compliance

The Parish Council will, as a group, conduct an annual Risk Assessment every February.

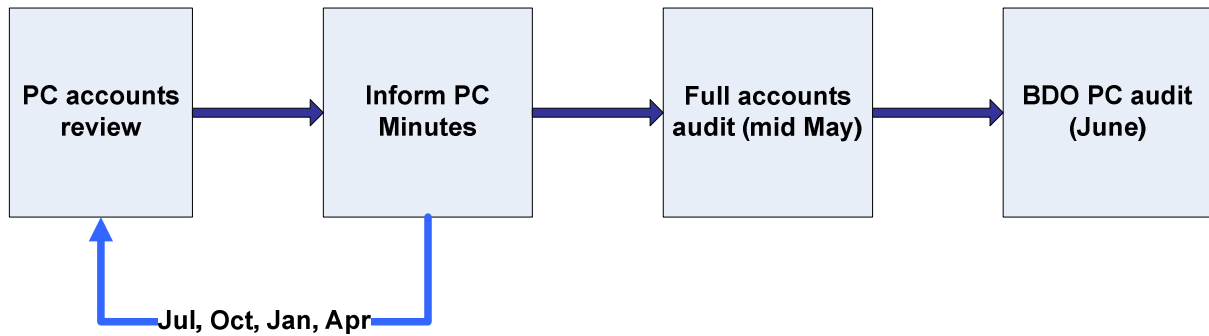
The Risk Assessment will be carried out by identifying any risks associated with items on the PC Asset Register, combined with any other miscellaneous risks.

All risks will have an associated mitigation plan which will be recorded in a Risk Plan and Minuted.

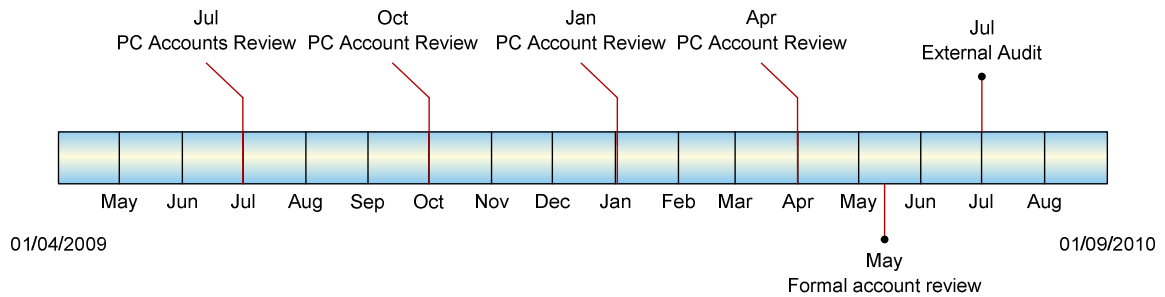
The Risk Assessment is contained in “**Annex A: Hazelbury Bryan Parish Council Risk Register**”, on page 25 later in this document.

7 “We have maintained an adequate and effective system of internal audit of the council's accounting records and control systems.”

7.1 Process/Action(s) Required:



7.2 Key dates:



7.3 Summary of Evidence of Compliance

Through the year the administration of the accounts was monitored by the Councillors who are authorised signatories to the account.

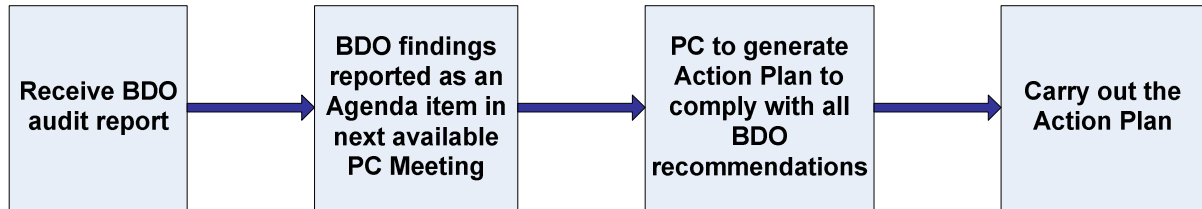
In addition the accounts were reviewed on a quarterly basis (July, October, January and April) by councillors who are not authorised signatories and therefore who are independent. These reviews take place and are minuted at Parish Council Meetings.

Full audit by professional accountants occurs every May for the previous year's accounts.

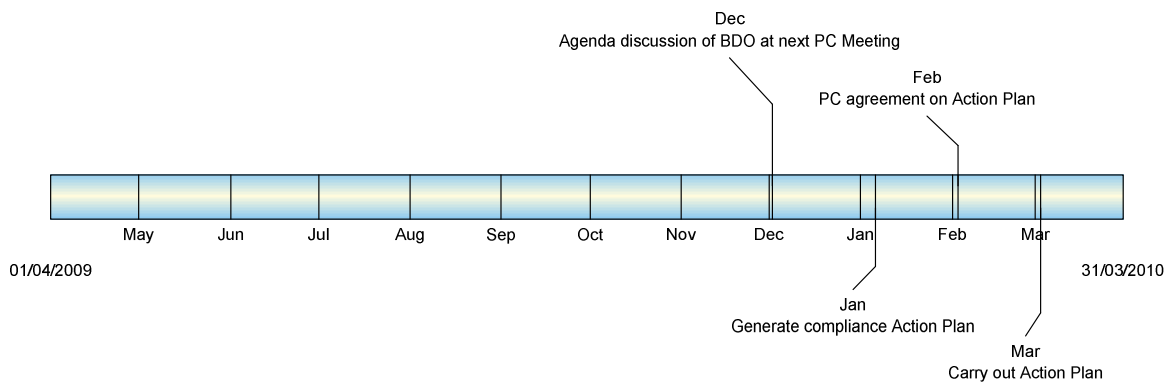
The effectiveness of the internal review process will be judged on the outcome of the full professional accountant's audit. If the accounts are in order and correct we consider the internal process to be effective. This will be minuted as required.

8 “We have taken what we consider to be appropriate action on all matters raised in reports from internal and external audit.”

8.1 Process/Action(s) Required:



8.2 Key dates:



8.3 Summary of Evidence of Compliance

BDO Report 2009 is expected in September 2009. This will be the subject of discussion at the following PC meeting.

All key recommendations have been accepted by the Parish Council, complied with and evidence included to support compliance.

9 “We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and, where appropriate have included them in the statement of accounts.”

9.1 *Process/Action(s) Required:*

Ongoing good practice, consultation with the Parish Risk Register & Risk Plan, and disclosure of interests by Councillors during the course of Parish business.

9.2 *Key dates:*

Ongoing

9.3 Summary of Evidence of Compliance

During the course of PC business any liabilities etc are recorded in the Risk Register and Plan, together with action needed to mitigate that liability etc.

Evidence: As a result of the evidence sent to the Land Registry, the ownership of the Village Hall and its land has been registered correctly in June 2009 in the name of the Parish Council.

Work is underway to seek compensation for the error. Progress will be recorded in the minutes.

Evidence: The legal aspects of the size and area of The Keep have been resolved and a revised Land Registry plan published.

10 Trust Funds – in our capacity as the sole managing trustee we have discharged our responsibility for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.

10.1 Process/Action(s) Required:

None

10.2 Key dates:

None

10.3 Summary of Evidence of Compliance

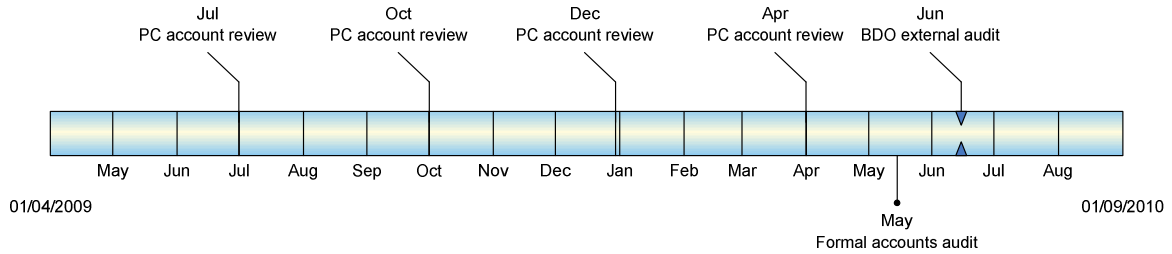
The Parish Council is not aware of any Trust Funds for which they are accountable other than the funds resulting from the precept.

The Playing Field Committee is not a Trust but we will undertake to report any fund-raising by this Committee through the main Parish Council mechanisms.

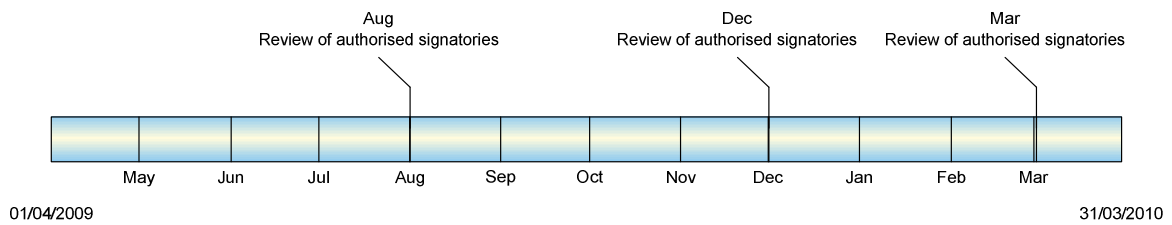
The only Charitable Trust fund whose existence we know of is the Village Hall maintenance fund which is subject to separate audit by the Charities Commission.

11 Annual summary of actions and dates required

Q1 on page 4



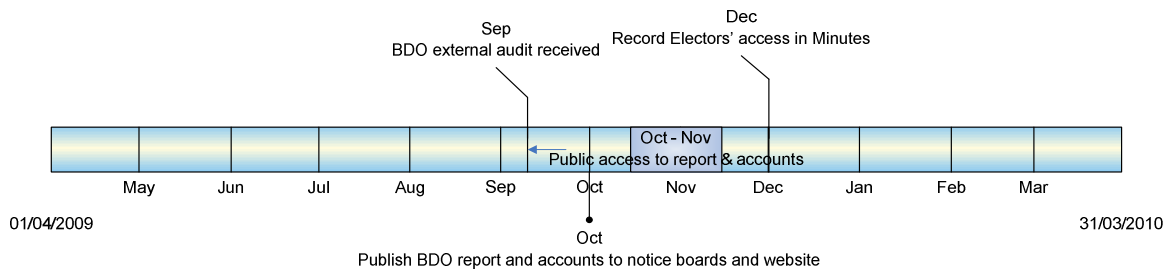
Q2 on page 6



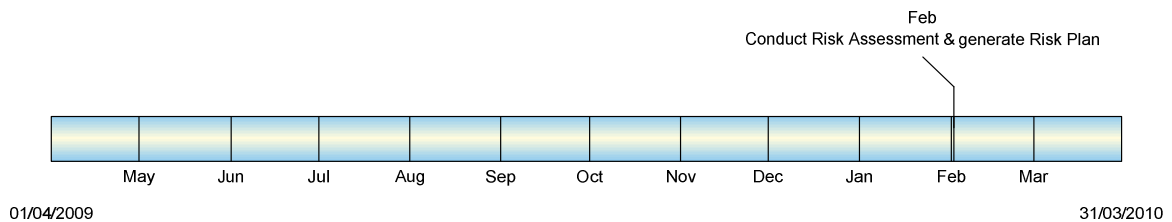
Q3 on page 8

n/a

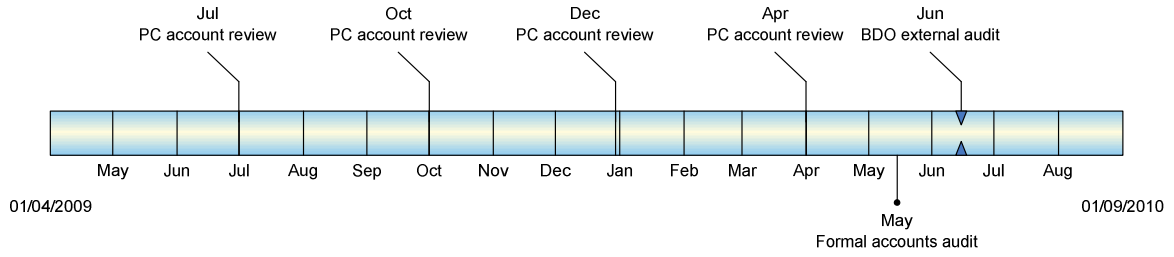
Q4 on page 10



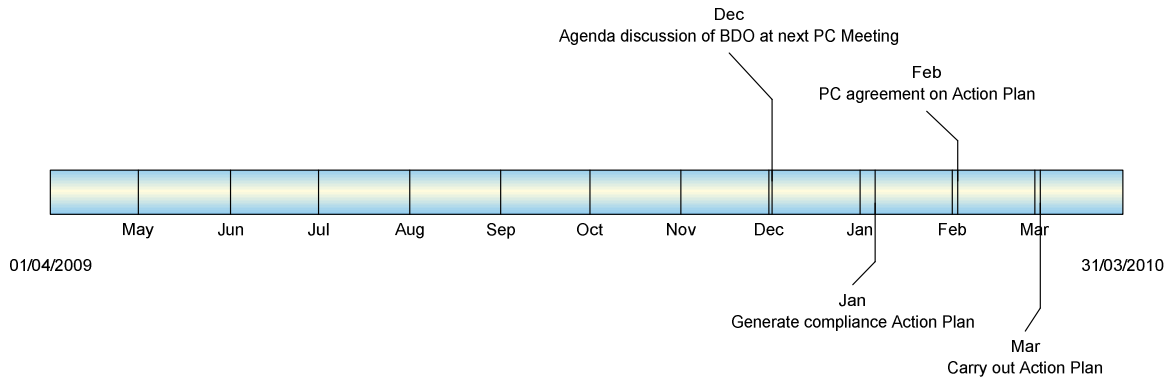
Q5 on page 12



Q6 on page 14



Q7 on page 16



Q8 on page 18

n/a

Q9 on page 20

n/a

12 Useful references:

A central Governance resource can be found at the website for the Office for Public Management:

<http://www.opm.co.uk/index.shtml>

Standard reference works have been consulted in generating this document, such as:

“The Good Governance Standard for Public Services” found at:

http://www.opm.co.uk/resources/papers/policy/Good_Gov_Standard.pdf

“The Parish Council Toolkit” from the Association of Council Secretaries and Solicitors, found at:

http://www.acses.org.uk/public_file/filename/2/Parish_Council_Toolkit_Update_-_Full.pdf

Indicators of good practice and future policy developments can be found at:

http://www.opm.co.uk/resources/papers/localgov/Future_policies_governance_engagement.pdf

13 Annex A: Hazelbury Bryan Parish Council Risk Register

a) Financial Risks

INCOME TABLE

Topic	Identified Risk	H/M/L	Management Strategy	Action	Action By	Frequency	When?
Precept	Not Submitted	L	Confirm submitted	Diary	RFO	1	Dec
	Not Paid by DC	L	Confirm received	Diary	RFO	2	Apr/Nov
	Adequacy of precept	M	Budget	Diary	RFO	3	Nov
Cemetery	Grave allocation	L	Burial Register	Review	Clerk	3	Half yr
	Undertakers Invoices	M	Accounts entries	Review	RFO	2	Monthly
	Memorial Fees	M	Accounts entries	Review	RFO	2	Monthly
Allotments	Invoices for Rent	M	No allotments yet				
Shop	Lease Management	L	Review Annually	Diary	RFO	2	March

Topic	Identified Risk	H/M/L	Management Strategy	Action	Action By	Frequency	When?
	Rental Payments	L	Review Monthly	Audit	RFO	3	Monthly
Investment Income	Best Value	L	Review Annually	Diary	Audit Grp	4	Nov
	Confirm Receipt	L	Quarterly internal reviews	Diary	Audit Grp	1	Qtrly
	Surplus Funds	L	Review Annually	Diary	Audit Grp	2	Nov

EXPENDITURE TABLE

Topic	Identified Risk	H/M/L	Management Strategy	Action	Action By	Frequency	When?
Salaries	Wrong Salary	L	Contract	Review	RFO	2	Dec
	Wrong Hours	M	Time sheet	Audit	RFO	2	Monthly
	Wrong Pay Rate	L	Contract	Review	RFO	1	Dec
	Wrong NI	L	PAYE records	Review	RFO	1	Dec
	Wrong PAYE	L	PAYE records	Review	RFO	1	Qtrly
	Self Employed?	L	Confirm with HMCR	Audit	RFO	2	Start
Costs & Expenses	Not supplied	L	Confirm orders	Audit	RFO	2	Apr
	Invoice incorrect	M	Check arithmetic	Audit	RFO	1	Monthly
	Sum incorrect	M	Check arithmetic	Audit	RFO	1	Monthly
	Wrong Payee	M	Check on signing	Audit	RFO	1	Monthly
	Loss of Stock	L	Annual review	Audit	RFO	1	Apr
Cllrs Allowances	Cllr Overpaid	M	Check against DAPTC	Audit	RFO	2	Apr

Topic	Identified Risk	H/M/L	Management Strategy	Action	Action By	Frequency	When?
Grants/Donations	Power to Pay	M	Minute Power	Record	Clerk	2	Monthly
	Agreement to Pay	L	Minute	Record	Clerk	2	Monthly
	Conditions	L	SMART conditions	Audit	Clerk	1	Dec/Jun
	Verification	L	RFO check for Budget	Check	RFO	2	Apr
Election Costs	Agreed rate?	L	Check with NDDC	Check	Clerk	1	As req.
VAT	VAT Analysis	M	Accounts content	Audit	RFO	6	
	On Sales	M	Accounts content	Audit	RFO	6	
	On Purchases	L	Accounts content	Audit	RFO	6	
	Exemptions?	L	Accounts content	Audit	RFO	3	
	Time Limits	M	Specified by HMRC	Audit	RFO	5	
Reserves – General	Adequacy	L	Monitor £5kmin £15kmax	Audit	Clerk	8	Monthly
	3 Year Plan	L	£5kmin £15kmax	Report	Clerk	2	Jan
Reserves – Ring Fenced	Adequacy	L	Confirm on allocation	Report	Clerk	4	Sept

Topic	Identified Risk	H/M/L	Management Strategy	Action	Action By	Frequency	When?
	ID Purpose	L	Clear written in accounts	Audit	IA	1	
Assets	Loss or Damage	M	Asset Register	Record	Clerk	2	Sept
	Risk to 3 rd Parties	M	Insurance	Review	Clerk	2	Sept
Staff	Loss of Clerk	M	Contingency fund	Monitor	Chair	2	Qrtly
	Fraud by Clerk	L	Reviews shown elsewhere	Review	Cllrs	5	
Loss	Damage or Crime	M	Insurance	Diary	RFO	5	
Maintenance	Poor Performance	M	Annual Insp (ROSPA)	Diary	Clerk	5	Sept
Legal Powers	Illegal Activity	H	Training Cllrs/RFO	Diary	Clerk	6	
Financial Records	Standard of	L	3 x per year (minuted)	Diary	Cllrs	10	A/N/M
	Archiving	M	Annual Review	Diary	Clerk	2	Dec
Minutes	Accurate/Legal	L	Councillors oversight	Review	Cllrs	10	Mthly
Members Interests	Conflicts	M	Each meeting	Minute	Cllrs	10	Mthly
Banking	Mandate	L	Internal audit	Audit	RFO	1	Jan

Topic	Identified Risk	H/M/L	Management Strategy	Action	Action By	Frequency	When?
	Wrong Signatories	M	Biannual check	Minute	RFO	5	Dec/Jun
	Access Control	M	Documents & Passwords	Audit	RFO	5	Dec/Jun

b) Asset Risks

Asset	Risks	Context	Mitigation
The Keep	Unclear ownership	Part definite, part provisional	Legal process and negotiations underway to establish current ownership. 19/05/09 Ownership by the Council has been confirmed. Land Registry documents in place. Risk to be closed.
	Flooding	Management of drainage across the land	Ditch clearance undertaken to improve canalisation of water and reduce flooding. Regular inspections will be undertaken. 19/5/09 No sign of flooding after the winter.
Alec's Field	Damage to the cricket pavilion and changing rooms	Maintain in good order	Insurance policy maintained (Zurich Municipal Local Council Policy # YLL-122032-3953)
	Damage to gates, fences and the mower	Maintain in good order	Insurance policy maintained (Zurich Municipal Local Council Policy # YLL-122032-3953)
	Poor access to gateways and paths	Maintain in good order	Annual contract placed and managed by the PC to ensure good condition and safety. Regular inspections will be undertaken. 19/5/09 Significant improvements have ensured good access.
Alec's Field Play Area	Appropriate use	Legitimate use vs. illegitimate use (e.g. vandalism or squatting)	Liaise with the Police to ensure regular patrols through the village. 19/5/09 On-going
	Safe equipment	Minimise risk of accidents	Annual RoSPA inspections carried out. 19/5/09 Inspection for 2009 has been scheduled
	Risk of injury	General risk of injury to the individual	Behaviour-dependent: not manageable
The Cemetery	Safety and condition of the site	Maintain in good, safe order and a respectful condition	Annual contract placed and managed by the PC to ensure good condition and safety. Regular inspections will be undertaken. 19/5/09 Headstone inspection carried out and

Asset	Risks	Context	Mitigation
			repairs to memorials completed.
	Uneven ground	General trip hazards etc	Annual contract placed and managed by the PC to ensure good condition and safety, but individual responsibility prevails
	Fences and gate access	Maintain in good, safe order	Annual contract placed and managed by the PC to ensure good condition and safety
The War Memorial	Damage	Maintain in good order	Insurance policy maintained (Zurich Municipal Local Council Policy # YLL-122032-3953)
The HBPC bank accounts	Fraudulent activity	Review out-of-date list of signatories	New list of approved signatories with passwords have been generated, comprising current Parish Councillors only.
Village Hall land	Unclear ownership	Not definite.	Legal process of discovery underway to establish ownership. 19/5/09 Ownership has been established and Land Registry records updated. Risk to be closed.

14 Version Control

Date	Version	Author	Description
April 2008	1.0	Neil Lindsay	Initial Document
July 2009	1.1	Jenny Farthing	Updated to match current situation. Full risk register incorporated.