



Wombourne Parish Council

Governance Framework

Scope of Governance Framework Responsibilities

Wombourne Parish Council is required to have an adequate and effective system to discharge the functions of the Council whilst implementing arrangements for the management of risk. In order to achieve this there is a need for the Parish Council to implement a comprehensive internal control policy to ensure that its business is conducted within the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

The purpose of Governance Framework

Wombourne Parish Council's Governance Framework provides a comprehensive range of internal controls in the form of a checklist that will confirm the existence of a sound system of management which includes the identification and control of risk whilst seeking to eliminate fraud, error and mismanagement. It will provide a satisfactory foundation for internal audit and give an adequate level of assurance that Wombourne Parish Council is enabled to complete the Annual Governance Statement, particularly assertions two and six.

Personnel involved with Governance Framework

The key personnel that will review and implement the Wombourne Parish Council Governance Framework include:

- a) Clerk to the Clerk / Responsible Financial Officer (RFO) – The duties of the Clerk / RFO will be laid down in a Job Description. The Clerk will be Wombourne Parish Council's Responsible Financial Officer and will act as advisor and administrator to Wombourne Parish Council and will be responsible for the day to day management of Wombourne Parish Council's finances.
- b) Assistant to the Clerk to the Council – The Assistant to the Clerk to the Council will provide support to the Clerk /RFO in respect of all matters of Wombourne Parish Council administration and finance.
- c) Chairman of the Council – The Chairman of Wombourne Parish Council will be elected by the elected Members of the Parish Council and will have all the powers and duties vested in law.
- d) Finance and General Purposes Committee Members led by Finance and General Purposes Committee Chairman – The Finance and General Purposes Committee will take primary responsibility for all of Wombourne Parish Council's fiscal matters and will recommend or otherwise that such matters be accepted by Full Council.
- e) Appointed Independent and Competent Internal Auditor – The appointed Internal Auditor will, at not less than yearly intervals, provide a selective assessment of Wombourne Parish Council's procedures and controls to ensure compliance against the current legal framework as imposed on Wombourne Parish Council.

Key elements of control

The key elements of control to be tested are as follows:

- a) Has Wombourne Parish Council appointed a Responsible Financial Officer (RFO)?
- b) Has Wombourne Parish Council appointed a Chairman of Council who may exercise the statutory powers and duties in respect of meetings, ensuring smooth running of meetings and the certification of minutes?
- c) Has Wombourne Parish Council established Committees to simplify the management of key elements of its lawful business?

- d) If so, has the Council appointed Chairman of Committees to ensure the smooth running of meetings and to certify all minutes on behalf of Wombourne Parish Council's Committee members.
- e) Has Wombourne Parish Council formally adopted both Standing Orders and Financial Regulations?
- f) Are Standing Orders and Financial Regulations closely adhered to in order to provide a consistent approach to meetings and decision making?
- g) Are items or services purchased against pre-determined limits competitively purchased?
- h) Has Wombourne Parish Council conducted a risk assessment for the current year of operation to determine the financial risks it is exposed to and if so is this recorded in the minutes?
- i) Where necessary to, does Wombourne Parish Council have adequate and appropriate insurance cover to offset risk?
- j) Does Wombourne Parish Council maintain an up to date Asset Register of material assets owned and is the register reviewed in conjunction with insurance schedule valuations.
- k) Does Wombourne Parish Council have in place sufficient accounting controls to include as a minimum the following elements:
 - i. Recorded minutes that show previous years Internal and External audits have been reviewed and matters addressed
 - ii. Is a cashbook maintained and up to date to ensure that all financial transactions are recorded promptly and correctly?
 - iii. Is the cashbook accurate and arithmetically correct?
 - iv. Is the cashbook regularly balanced in line with bank statements?
 - v. Are all Wombourne Parish Council's accounts subject to regular reconciliation?
 - vi. Are cashbook payments supported by invoices and have they been authorised?
 - vii. Does Wombourne Parish Council promptly record income and bank funds promptly?
 - viii. Does Wombourne Parish Council have adequate and effective security controls in respect of cash?
 - ix. Does Wombourne Parish Council have a recording system for petty cash which is supported by VAT invoices and receipts where appropriate?
 - x. Does Wombourne Parish Council have confidence that its PAYE and NIC systems are correctly operated?
 - xi. Does Wombourne Parish Council identify VAT payments and correctly record and reclaim these?
 - xii. Does Wombourne Parish Council separately identify and record Section 137 payments and are these within the defined statutory limits?
 - xiii. Does Wombourne Parish Council set its precept based on a pre-prepared annual budget?
 - xiv. Does the annual budget setting review its income and expenditure in consideration of actual figures for the previous year, end of current forecasting and actual outturn year?
 - xv. Does Wombourne Parish Council Finance and General Purposes Committee regularly review income and expenditure against the budgeted figures?
- l) Does Wombourne Parish Council prepare its end of year accounts on the correct basis using Income and Expenditure?
- m) Does Wombourne Parish Council correctly record debtors and creditors?

- n) Does Wombourne Parish Council start of year and end of year balances on all accounts mirror the cashbook?
- o) Does Wombourne Parish Council maintain an adequate audit trail between the accounts and underlying financial records?

Significant issues identified via Governance Framework

Wombourne Parish Council has not identified any significant issues arising from Governance Framework reviews in respect of the previous twelve months and the forthcoming year.

In addition, both Internal and External Audits have similarly identified no issues.

Review

This policy should be reviewed annually.