

Risk Assessment of Financial systems' internal controls for Marchwood Parish Council.
March 2026

No.	Internal Control Tests	Findings
1	Proper Bookkeeping	
1.1	Is the purchase ledger and cashbook maintained and up to date? Format used?	The purchase ledger and cashbook is maintained using the OMEGA finance package and is to be prepared up to 31 st March 2026. Rialtas Business Systems OMEGA finance package.
1.2	Is the purchase ledger and cashbook arithmetically, correct?	The purchase ledger and cashbook is analysed into cost centre headings with full cross casting to confirm overall totals.
1.3	Is the purchase ledger and cashbook regularly balanced?	The Responsible Finance Officer confirmed that the purchase ledger and cashbook are prepared at the end of month and at the financial year end when it is balanced by cross checking and confirmed by full bank reconciliation. Balances are reported to each Policy & Resources Committee meetings.
2	Standing Orders and Financial Regulations	
2.1	Has the Council formally adopted Standing orders and financial regulations & dates approved.	Financial Regulations were last reviewed and adopted at the Annual Council meeting on 19 May 2025 [minute PC/25/008]. Model Standing Orders have been reviewed and were adopted by the Parish Council at the meeting of the 19 May 2025 [minute PC/25/007]. Standing Orders and Financial Regulations are reviewed and adopted at the Annual Council meetings each year.
2.2	Has an RFO been appointed with specific duties noted in both the contract of employment & Financial regulations.	The RFO Is the Parish Council's Section 151 Officer, her duties are detailed in the Financial Regulations reviewed in May 2025. The RFO has a formal contract of Employment and Statement of Particulars, and these were signed on the 15 th March 2021.
2.3	Have items or services above a de minimis amount been competitively purchased?	Normal levels of competitive tending apply where three quotations will be required and these would need to be approved by the Full Council.
2.4	The General Data Protection Regulations (GDPR)	Following on from the GDPR coming into force the Parish Council publishes a privacy notice on its website. All staff have undertaken GDPR training. The Data Retention Policy has been updated and approved 16 February 2026 (minute PR/26/037(c)). The Council has adopted an IT Policy; Officers have regular training on GDPR compliance.
2	Payments Controls	
2.5	Are payments in the purchase ledger and cashbook	Proper invoices support all payments, that are cross referenced with Lloyds

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	supported by invoices, authorised and minuted.	Bank, Financial Regulations cover various levels for tenders etc. All invoices are authorised by the RFO and signed by two Councillors and a payment summary is submitted to the Policy and Resources Committee, where it is approved and minuted.
2.6	Has VAT on payments been checked, recorded and reclaimed? Frequency & refunds into which A/c?	Proper VAT invoices are provided when relevant, with VAT checked and entered in separate coding column within the OMEGA package. VAT is reconciled monthly and recorded within the OMEGA package VAT claims are submitted quarterly as per the latest HMRC guidelines.
2.7	Is Section 137 expenditure separately recorded & in limit?	The set limit for 2025-26, was applied, is Number of Parishioners at 1 st April 2026 x Section 137 rate for 2026-27 £11.60p In practice a budget of £500 is administered by full Council for 2026-27.
3	Risk Management Arrangements	
3.1	Does a scan of the minutes identify any unusual financial activity, projects, events etc.?	Any financial aspects for special projects & events are discussed by Council, and minuted stating financial implications involved.
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas/BMX/skateparks regularity of checks & documentation?	The Parish Council's Amenities committee is responsible for undertaking play area inspections. These were completed by the Play Inspection Company yearly. Trained staff undertaken inspection weekly. Risk assessments are being completed and updated.
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? FG Cover level correct?	Parish Council insurance is held with Aviva Insurance Company Ltd dated 1 st June 2025 (Council approved a 3-year quotation) to 2027 covering the standard local council aspects. The level of cover is reviewed annually by the Clerk and Hallam Insurance Brokerage. The level of fidelity guarantee cover held is now £500,000. Motor insurance is provided by ERS Motor Insurance Ltd policy number 50906902 dated 22 May 2025.
3.4	Are internal financial controls documented and reviewed regularly?	This financial risk assessment is reviewed annually.
4	Budgetary Controls	
4.1	Has the Council prepared an annual budget in support of its precept?	The Policy & Resources committee prepares a budget based upon the Parish Council requirements each Year. Full Council reviews and ratifies this in December. The New Forest District Council is notified of precept required each January. The process for 2026-27 was begun at the Policy & Resources committee

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		meeting October 2025 and completed at the Full council meeting of the 15th of December 2025 minutes PC/25/046
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	Actual expenditure is monitored and reported by the RFO on a monthly basis. Appropriate action is taken by the Parish Council if required.
4.3	Are there any significant and unexplained variances on budget?	A process is in place to report significant variations whereby the Clerk & RFO will inform the Council of large variances. Any action required will be approved by Policy and Resources Committee.
5	Income Controls	
5.1	Is income properly recorded and promptly banked?	Any income received is recorded, banked promptly by RFO into Lloyds Bank Community account 00606458 and the details are entered into the cashbook to a relevant code.
5.2	Does the precept recorded in the cashbook agree to the DC's notification? Yearly review of scale of fees?	Precept is received in April and September from New Forest District Council and paid direct into Lloyds Bank Community account 00606458 with a remittance advice received to confirm transfer amount.
5.3	Are security controls over cash adequate and effective?	Cash received is banked as soon as possible after being received. The Council now has the ability to receive payment by BACS and card machine, minimising the requirement to receive cash payment.
6	Payroll Controls	
6.1	Does the staff salaries/wages paid agree with those approved by the Council & what is review frequency?	Staff salaries follow approved guidelines and comply with the NJC agreements. All staff salaries will be reviewed annually by the Policy and Resources Committee.
6.2	Are other expenses to the Clerk/staff reasonable and approved by the Council?	Casual user mileage @ 45p per mile is paid for travelling to meetings and training courses. Policy and Resources Committee approve any expense payments.
6.3	Have PAYE/NIC/ Pensions been properly operated by Council as an employer? Payment frequencies/method?	The Parish Council use a payroll provider for calculating the staff monthly salary, pension, tax and national insurance amounts. The RFO sets up payments for the staff, LGPS and HMRC on a monthly basis using the payroll providers calculations.
7	Assets Controls	
7.1	Does Council keep an asset register of all assets owned incl. serial nos.? Annual physical check noted?	The Clerk & RFO holds an asset register on computer, analysed into types and locations. The insurance value of the total assets (all risks) is approved by Council annually. Variances are reported and approved by the Policy and Resources Committee.
7.2	Are the Asset/Investments registers up to date, incl.	The Asset Register contains detailed descriptions of each item.

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	disposals? Note all Investments held with a/c nos.	Disposals are recorded once approved by the Policy and Resources Committee.
7.3	Do asset insurance valuations agree with those in the asset register?	The asset register valuation is currently confirmed with the Hallam Insurance to ensure that all items carry the correct valuation, and this has been applied to the insurance policy.
8	Bank Reconciliation	
8.1	Is a bank reconciliation for each account held? Note: each account with bank/branch & a/c no.	Yes. Community Account 00606458 CCLA Deposit Fund 235 0112350001PC. United Trust Bank 20261935 United Trust Bank 20267303, Bond United Trust Bank 20267306 Bond United Trust Bank 20267307 Bond
8.2	Are Bank reconciliations conducted on receipt of statements & with what frequency?	All accounts are reconciled by the RFO through the OMEGA package on a monthly basis when the bank statements are received.
8.3	Are there any unexplained balancing entries in any reconciliation?	No, all bank interest/charges, direct debits and standing orders were entered in Cashbook as per bank statements.
9	Year-end Procedures	
9.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Income and Expenditure basis.
9.2	Do the accounts agree with the cashbook codings?	Yes: Final end of year accounts confirm that entries made in the cashbook are accurate and agree to all bank accounts held by the Parish Council.
9.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments?	Full cross referencing of electronic payments and banking are cross referenced.
9.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end, General and Earmarked reserves held at reasonable levels?	Debtors and creditors information for financial year 2024-25 is correctly recorded. Levels of general and earmarked reserves are held at a reasonable level and reviewed quarterly.

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Signed

Clerk Marchwood Parish Council

Date 16 March 2026

Signed

RFO Marchwood Parish Council

Date 16 March 2026