

INITIAL DRAFT FOR CONSIDERATION

PROPOSED CHANGES TO BUSINESS PROCESS

HEADING	PARA	REQUIREMENT	PROCESS CHANGE REQUIRED	RESPONSIBILITY
GENERAL				
	1.5	At least annually the Council must review the effectiveness of its system of internal control.	Develop process for formal review of internal control systems	Chair / Clerk – To be included in Agenda for meetings at least once in each FY.
	1.12	Accounting control systems shall include procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct records	Develop appropriate control systems to enable the prevention and detection of inaccuracies and fraud. These should include the development of internal audit mechanisms.	Finance Cttee to make proposals for changes in process.
	1.12	Accounting control systems shall include identification of the duties of officers dealing with financial transactions	Review Job Description of Clerk / RFO	Chair / Finance Cttee
	1.12	Accounting control systems shall include measures to ensure that risk is properly managed.	Development and adoption of a Risk Strategy and a continually reviewed and updated Risk Management Plan.	Council
	1.14	The council must determine and keep under review the bank mandate for all council bank accounts	To be reviewed annually by the Finance Committee and decisions recorded.	Finance Cttee
ACCOUNTING AND AUDIT	2.2	On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO.	Implement revised policy to conform with Financial Regulations. To be included in Risk Management Plan.	Chair to direct appropriate members
	2.4	The council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices.	Develop a system of internal audit including the appointment of an internal auditor with Job Description/ Summary of Responsibilities. Include Internal Audit within the Risk Management Plan.	Finance Cttee to review

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	2.5	The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.	Internal controls and practices to be defined.	Chair / Clerk
	2.6	The Internal Auditor shall: <ul style="list-style-type: none"> • be competent and independent of the financial operations of the council; • report to council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year; • to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and • have no involvement in the financial decision making, management or control of the council. 	Job description to include these requirements.	Internal Auditor
ANNUAL ESTIMATES AND FORWARD PLANNING	3.2	The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.	Develop 3 year forecast of revenue and capital receipts and payments.	Finance Cttee
BANKING ARRANGEMENTS	5.6	For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation for which council may authorise payment for the year provided that the	Review current process	Clerk/RFO

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		requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.		
	5.9	Members shall comply with the Code of Conduct and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.	Continue to enforce formal declarations of interest whenever appropriate.	Chair and Clerk to monitor
	6.6	Cheques or orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.	Review and enforce whenever possible with understanding of need to pay outstanding invoices promptly	Clerk
	6.10 to 6.21	Requirements for electronic and internet banking	IT Committee to review and report potential and limitations of adopting electronic banking	IT Cttee
ORDERS FOR WORK, GOODS AND SERVICES	10.1 – 10.5	Purchase Orders / VFM / Procurement	Review order and procurement process to bring into line with financial regulations	Chair / Clerk
CONTRACTS	11.1	Contracts	Review process for letting contracts to bring into line with financial regulations.	Chair / Clerk
RISK MANAGEMENT	17	The council is responsible for putting in place arrangements for the management of risk.	The Chairman shall prepare, for approval by the council, risk management statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council at least annually.	Chair / Clerk / Finance Cttee

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