

PARISH COUNCIL – FINANCIAL RISK ASSESSMENT POLICY 2023/24

Item	Risk/Impact	H/ M/ L	Assessment	Financial Regulation	Action
Purchase Orders and Payments	<p>Goods, services and works acquired on behalf of the Council:</p> <ul style="list-style-type: none"> • Goods not supplied to Council • Invoice incorrectly recorded or calculated • Accuracy of cheque i.e. amount or payee 	M L L	<p>Follow up on order/service</p> <p>Check calculations on invoices by RFO</p> <p>Initial stub by signatories</p>	5, 6 and 10	<p>Clerk to approval check</p> <p>Member verify</p> <p>Approval check by member</p>
Annual Budget	<p>Preparation, consideration and formal agreement for precept:</p> <ul style="list-style-type: none"> • Not submitted • Payment not received by local authority • Adequacy of precept <ul style="list-style-type: none"> • Adequacy of reserves for general and earmarked items 	L L M L	<p>To be monitored throughout year</p> <p>Minute of resolution, RFO to follow up</p> <p>Confirm receipt, to be minuted</p> <p>Regular review of budgeted to actual for income and expenditure throughout the year</p> <p>Consider with budget setting and review of final accounts</p>	2 and 3	<p>As/when required</p> <p>As/when received</p> <p>To complied regularly by RFO throughout the year and as/when required by Council</p> <p>RFO provide information and plan</p>
Petty Cash and Other Income	<p>Handling of monies received:</p> <ul style="list-style-type: none"> • Cash handling • Cash banking 	L L	<p>The Council does not operate petty cash, handling is avoided</p> <p>If received, necessary controls in place</p> <p>Carried out as soon as possible, paying in book stamped and recorded in cash book</p>	9	<p>Regularly reviewed</p> <p>RFO reports and member monitors</p>
Payroll	<p>Payment of wages and salaries to Council employee:</p> <ul style="list-style-type: none"> • Wrong salary/hours/rate paid • Failure to deduct, correct tax and NI contributions, failure to comply with current legislation • Self employed status 	L L L	<p>Employee to submit timesheet, hours, rate and calculation to be checked</p> <p>Check to PAYE calculations if appropriate</p> <p>Evidence of agreed self employed status from Inland Revenue</p>	7	<p>Member to verify and all members to receive copy</p> <p>Member to verify</p> <p>Council to be in receipt of letter and to be kept on file</p> <p>At present the Council has no</p>

					employees
Asset Control	Record of Council's Assets and investments: <ul style="list-style-type: none"> • Loss, damage, disposal etc • Risk or damage i.e. third party or individuals • Failure to maintain or review could result in undervaluing i.e. insurance. Consider adequacy of insurance including public liability 	M M M	To be reviewed annually and as per purchase or disposal of any assets.	8, 13 and 14	Review Asset Register and insurance policy annually, and as/when required
Bank reconciliation	Record of the Council's transactions in respect of income and expenditure. To be monitored and carried out regularly. Failure to undertake reconciliation could result in loss of income, inappropriate payments or misappropriation of funds.	M M	To be monitored and carried out regularly.	1	Members to receive copy and verify, also review Financial Regulations annually
Year end accounts	Statement of financial activity of the Council for each year. Failure to provide an accurate statement of the Council's financial transactions for each year.	L L	To monitored when year end accounts presented.	1 and 4	To be completed by RFO/Clerk, checked and verified by members at full Council
Insurance	Insurance cover provided for Council's financial and other activities. Inadequate cover could lead to financial loss and legal claims against the Council. Any new activity/asset to be considered in relation to insurance as and when necessary.	M M	To be monitored and reviewed at budget meeting or as and when necessary i.e. purchase/disposal of asset.	15 and 16	Review Insurance Schedule annually, or as/when required
Financial Records	Record of Council's financial transactions: <ul style="list-style-type: none"> • Inadequate records Failure to ensure safekeeping and updating of records. RFO/Clerk to review regularly and internal audit and controls in place.	L L		1	To be considered and checked by full Council at meetings
Internal Audit	Review of systems and controls implemented by Council: <ul style="list-style-type: none"> • Effectiveness Failure to secure independent internal audit and record audit results.	L L	Audit Plan in place	3 and 4	An appropriate independent individual to carry out audit, regular review of process
VAT	Accurate recording and accounting of VAT and reclamation:			9	

	<ul style="list-style-type: none"> VAT analysis Charged on purchase Reclamation within time limits <p>Consideration of failure to comply with legislation, all items listed separately in cash book, consider all items as cash book lists, returns to be submitted annually</p>	M L M			RFO verify RFO verify RFO verify
Grants Awarded	<p>Grants awarded to external organisations:</p> <ul style="list-style-type: none"> No power to pay or evidence of agreement of Council to pay Conditions agreed 	M L	<p>Consideration of council powers Council minute sating agreement and resolution Agree and document any reasonable conditions</p>	3	Member verify RFO check
Grants Received	<p>Grants received from external organisations:</p> <ul style="list-style-type: none"> Claim procedure Receipt of grant when due 	M M	<p>To maintain thorough monitoring Clerk/RFO monitor as required Clerk/RFO monitor as required</p>	9	Ongoing as required Ongoing as required
Staff	<ul style="list-style-type: none"> Loss of personnel Fraud by staff 	L L	<p>Risk monitored as appropriate, appraisal undertaken Appropriate cover of insurance to be place, fidelity guarantee</p>	7	Member review Full Council to review annually or as/when required
Legal Powers	<p>Council awareness of statutory powers</p> <ul style="list-style-type: none"> Illegal activity or payment 	M	<p>Qualified Clerk/RFO, regular contact with external advisory organisations i.e. BATPC and education of Council</p>	All regulations	Ongoing
Minutes	Accuracy and legality of minutes of meetings	L	<p>Circulated to all members and reviewed at following meeting</p>		Ongoing
Members Interests	<ul style="list-style-type: none"> Conflict of interest Register of Members Interests 	M L	<p>Declarations recorded in minutes and addressed as appropriate Register maintained</p>		Ongoing as/when required, recorded by Clerk Clerk maintains, updates as required and forwarded to local authority
External Audit	<p>Completion and compliance of Annual Governance and Accountability Return</p> <p>Failure to comply with statutory requirements for completion and publication of Audit within the statutory</p>	M L	<p>Section 1 and Section 2 more detailed inspection by Council to be reflected in meeting minutes</p> <p>For public inspection date compliance to be monitored by Parish Council.</p>	3 and 4	<p>Agenda Item planned for May 2021 Meting minutes</p> <p>Agenda Item planned for May 2021</p>

	timescales. Council to produce documentation as and when required for external purposes.	L	Council to monitor external audit communications and submission of documents		Meeting minutes Member verification
	Completion of the Audit Commission process.	L	External auditors to undertake their statutory duty		Compliance as/when required
Engaging Services of External Contractors	<u>HMRC</u> <ul style="list-style-type: none"> • PAYE/NI liability for Office Holder position • Engagement of contractor services <u>National Association of Local Councils</u> <ul style="list-style-type: none"> • Engagement of contractor services • Office Holder <u>Other consideration</u> <ul style="list-style-type: none"> • Contractor insurance/liability 		Understanding role in relation to HMRC and NALC requirements Review of contact for services		Review appropriately with meeting minute record

PHYSICAL EQUIPMENT OR AREAS					
Item	Risk/Impact	H/M/L	Financial Regulation	Assessment	Action
Assets	Loss or damage of assets Risk/damage to third party(ies) property Failure to maintain or review could result in undervaluing e.g. for insurance. Consider adequacy of insurance including public liability	L	8, 13, 14	An annual review of assets is undertaken for insurance provision	Existing procedures meet requirements
Maintenance	Poor performance of assets or amenities. Risk to health and safety to the general public.	L	13, 14	All assets owned by the Parish Council are regularly inspected, reviewed and maintained. All repairs and relevant expenditure relating to repairs are actioned/authorised in accordance with the correct procedures of the Parish Council.	Existing procedures meet requirements

				Reported faults/damage are dealt with promptly under the Clerk's delegated responsibilities.	
Notice Boards	Risk of damage	L	13, 14	The Parish Council currently has seven notice boards. Formal inspection procedures are in place but any reports of damage or faults are reported to the Parish Council and dealt with in accordance with Council procedures.	Existing procedures meet requirements
Meeting locations	Adequacy Health & Safety	L	N/A	The Parish Council meeting is held in a venue considered to have appropriate facilities for the Clerk, members and the general public.	Venue meets requirements.
Council records – paper	Loss through: <ul style="list-style-type: none"> • Theft • Fire • Other Damage 	L M L	N/A	The Parish Council records are stored at the home of the Clerk/RFO. Records include historical correspondences, minutes, insurance policy and information, bank records, policies, data protection records, Members declaration of interests. All documents are kept secure.	Damage (apart from fire) and theft are unlikely and so provision meets the expected requirements.
Council records – electronic	Loss through: <ul style="list-style-type: none"> • Theft, • Fire damage • Corruption of computer 	L L L	N/A	The Parish Council electronic records are stored on the Council laptop held with the Clerk at her home. Back ups of electronic data are made at regular intervals	Existing procedures meet requirements