

# CLENCHWARTON PARISH COUNCIL

## FINANCIAL RISK ASSESSMENT

The following control systems are in place to ensure that CLENCHWARTON PARISH COUNCIL is doing everything possible to protect the electorate from financial risk.

### Finances

Risk: 1. Accounting errors due to lack of financial control

Procedures to address risk:

- 1.1 Responsible Finance Officer (RFO) will be appointed whenever a vacancy arises. The RFO's job description to be agreed and minuted.
- 1.2 All financial documentation will be held by the RFO, e.g. cheque books, paying in books, invoices, receipts, bank statements, VAT reclaim papers, electronic receipts and payments accounting system.
- 1.3 A Parish Councillor or other approved person will be appointed by the full council with a special responsibility for financial matters.
- 1.4 Back-up of computerised system to be undertaken at least monthly by the RFO and kept off site with the chairman or other authorised managed back-up service.
- 1.5 All authorised payment will be written and entered on the computerised receipts and payments system within two weeks of the meeting authorising payments.
- 1.6 Where payments are made by cheque, cheque numbers will be written on the invoices when paid along with the date authorised. Where the payment is made online, two authorised signatories will agree any transaction. The two signatories authorising payment will initial the schedule of payments to indicate that it agrees with the invoice presented.
- 1.7 Cash and cheques received will be entered on the computerised receipts and payments system upon receipt and banked by the RFO as soon as reasonably practicable.
- 1.8 Bank statements will be reconciled with the computerised receipts and payments system monthly for the Council's accounts. These can then be cross-referenced with the cheque stubs/electronic payments list and checked by the Internal Auditor at least quarterly and the bank statement signed as evidence of this check.
- 1.9 VAT will be reclaimed when the amount due reaches £1000, or annually in April, whichever is sooner.
- 1.10 A receipt will be issued for all cash received by the Council.
- 1.11 The Internal Audit Control member will carry out regular reviews of the accounts and report his/her findings to the Council.
- 1.12 Appropriate training is to be provided for the RFO as and when needs are identified.

Risk: 2 Budget overspend

Procedures to address risk:

- 2.1 A budget meeting will be held annually between November and December to determine the budget which will then be presented to full Council who will determine the precept to be applied for before the end of January for the following financial year .

2.2 The budget to actual income and expenditure will be reported to and reviewed by the Council quarterly.

2.3 There will be an annual review of contracts e.g. grass cutting, street lighting on each anniversary of the grant of the contract.

2.4 The Contract of Employment and salary of the Clerk, RFO and any other employee will be reviewed annually at the budget meeting.

Risk:3 Loss of funds due to misappropriation of public money

Procedures to address risk:

3.1. No expenditure will be incurred by any member of the Parish Council without the prior approval of a properly constituted Parish Council meeting.

3.2 All invoices will be paid on the authority of the Parish Council at a properly constituted Parish Council meeting.

3.3 The clerk cannot make purchases of individual items in excess of £500 without prior (minuted) authority of the council. This amount should be reviewed annually to take account of inflation.

3.4 All cheques will be signed by two councillors authorised by the Bank Mandate and cheques stubs to be initialled by those two councillors. Payments made via the council's online bank account will be set up by the RFO and approved/released by two authorised signatories.

3.5 The clerk will maintain a Register of Interests of all councillors. Councillors will advise the clerk of any changes to those interests as and when they arise.

3.6 The RFO will make monthly returns to the HMRC to ensure that they are kept informed of monies paid to all employees.

3.7 Year end accounts will be presented by the RFO for circulation to the Parish Council by mid-May following the financial year end on the 31<sup>st</sup> March.

3.8 Appointment of an Internal Auditor will be reviewed annually at the June meeting.

3.9 Council to obtain employment references covering the previous three years for all new employees. Where employment references are not available and having established an acceptable reason why, character references must be sought.

3.10 No petty cash to be kept. Employees and Councillors to claim expenses at least quarterly.

Insurance

Risk: 4. Under-insurance of Parish Council Assets

Procedures to address risk:

4.1 Insurance cover will be reviewed at the Annual Parish Council Meeting in May of each year or by the Finance Committee to ensure adequate cover is maintained.

4.2 Fidelity insurance to be considered.

4.3 An Asset Register will be maintained by the RFO and updated at the time assets are added or removed and will be presented to the council for inspection annually.

#### Public Liability

Risk: 5. Liability to the public to provide a duty of care

Procedures to address risk:

5.1 Health and safety checks to be carried out on play areas monthly and on all other street furniture annually to monitor and identify risks to the health and safety of the public using these items. Findings to be reported to the council at the next council meeting unless immediate action is required.

5.2 Annual inspection of play area to take place every year (ROSPA) and findings reported to council.

5.3 Risk assessment for all other areas of the council's business to be reviewed annually, or more frequently if required.

#### Employers Liability

Risk: 6. Compensation Claim from Employee for Malpractice or Injury Procedures to address risk:

6.1 Contract of Employment issued to employee within 13 weeks of commencement of employment.

6.2 Job description of employee reviewed at time of appraisal.

6.3 Appraisal carried out annually by Personnel Committee.

6.4 Matters relating to employees to be discussed in confidence (public and press to leave the meeting room as well as employee) and decisions minuted as confidential.

6.5 Appropriate training to be provided for all identified training needs necessary to carry out the role.

6.6 Risk assessment carried out within two months of starting date on the Clerks, RFO's work station and immediate working area (where working from home). Risks identified and reported to the council and action taken to reduce the risks. This assessment to be carried out independently of the clerk or RFO by a suitably qualified councillor or advisor to the council.

6.7 Appropriate equipment to be provided to ensure the employee can carry out the role effectively and safely.

6.8 Expenses policy for such as lighting, heating, computer usage and travel to be reviewed at the time of budget setting.

#### Review time

The review must take place at some time during the year. The council may set its own time frame.

These regulations were adopted by the council at its August 2018 meeting

