

2023 Sholden Parish Council - Financial Risk Assessment Policy

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.
Reviewed, revised and agreed by Council at their Annual May 2023 Meeting.

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate Precept	L	To determine the precept required, the Clerk examines the current financial year's accounts together with the projected year-end accounts, and considers all expenditure and income required for the next financial year, then presents this to Council to enable Council to make an informed decision and agree the Precept. The Clerk then submits the Precept form to Dover District Council.	The procedures in place are adequate and are reviewed annually.
	Precept not paid by Local Authority	L	The Clerk/RFO checks the bank account regularly between April/May annually to ensure the yearly precept payment has been made by DDC and notifies them if not.	
Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations	L	The Clerk/RFO and Council follow the model Financial Regulations as set out by SPC (based on the NALC model) which have been revised accordingly and adopted by the Parish Council. These Regulations are reviewed annually by the Clerk and Council and adopted at the May Annual Parish Council Meeting.	Current Financial Regulations are adequate and adopted by Council.
Standing Orders	Not adhering to policy and procedures as set out in the Standing Orders	L	The Clerk and Council follow the Standing Orders as set out by the SPC (based on the NALC model) which have been revised accordingly and adopted by the Parish Council. These are reviewed annually by the Clerk and Council, and adopted at the May Annual Parish Council Meeting.	Current Standing Orders are adequate and adopted by Council.

Sholden Parish Council - Financial

Policy

Bank Records & Banking	Banking / Financial Errors	L	All items of income and expenditure are cross-referenced against the bank statements and a monthly reconciliation report created for monthly authorisation by Council.	Current procedure adequate.
	Loss through theft and dishonesty	L	All expenditure and income are advertised via monthly meeting Agendas before being approved by Council at monthly Parish Council Meetings and minuted as such. All transactions are now by electronic bank transfer and are authorised by 2 Councillors (see below).	Current procedure and insurance adequate.

Risk Assessment

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Electronic Payments (BACS)	Incorrect electronic payment or amount made	L	All BACS payments are approved by Council prior to the payment being made. Payments that need to be made outside of the meeting can be made. An e-mail is sent to the authorizing Councillors with an explanation the decision and payment ratified at the next full council meeting. Due to the fact very few BACS payments are made, if an incorrect amount is paid, it is easily rectified given that BACS payments are only made to regular well known suppliers and local bodies. Also, the online process allows the Clerk two checks of what has been input, before the BACS payment is confirmed and paid. Plus the details of the regular supplier/local body are already loaded into the system and do not requiring inputting each time a payment is made.	Reviewed annually.
	No monitor on actual electronic entry	M		
	Payments made without Council approval	M		

Sholden Parish Council - Financial Risk Assessment Policy

Financial/Account Records	Inadequate Records	L	<p>The Clerk/RFO maintains a cashbook listing all income and expenditure. The Clerk/RFO compiles all paperwork relating to monthly income and expenditure saved on their laptop and in files kept at their home.</p> <p>All files are reviewed by the Internal Independent Auditor annually and are also assessed by the NALC Internal Auditor annually before being submitted for audit.</p> <p>Councillors and members of the public can seek access to any aspects of the accounts at any reasonable time/day.</p>	Reviewed annually.
Grants	<p>Not following the grant claims procedure</p> <p>Grant Payments</p>	<p>L</p> <p>L</p> <p>L</p>	<p>The Clerk/RFO is to ensure that all grant payments are made accordingly and at the correct time and follow up with the individual local authority and/or organisation if they are not. The Clerk/RFO is to also ensure a receipt is obtained for audit purposes.</p> <p>The Clerk/RFO ensures the grant policy is adhered to and that all qualifying organisations are notified of the claim process. The Clerk/RFO also ensures there is a power to pay such grants before presenting the grant application to Council for agreement. The Clerk/RFO ensures that all annual grants are budgeted for and a schedule of such payments kept for audit purposes and future budgeting. Payment is made in accordance with the Grant policy.</p>	All reviewed annually.

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Cash	Loss through theft and dishonesty	L	No petty cash is held by the Clerk/RFO or Council members. Any sundry items are to be purchased by the Clerk personally and claimed back via the expenses against receipts held.	Current procedure adequate. Reviewed annually.
Best Value	Charges made on the Parish Council are too high	L	The Clerk/RFO will always obtain at least 2 estimates/quotations for any work undertaken by contractors on behalf of the Parish Council and for any major expenditure, as set out in the Financial Regulations. All estimates/quotations are then to be agreed and approved by full Council and minuted accordingly.	Current procedure is adequate.

Sholden Parish Council - Financial**Policy**

Financial Reporting	Insufficient information	L	<p>The Council/Parish Council Clerk appoints an Internal Independent Auditor annually to review and authorise all financial records. All income and expenditure are presented at Parish Council meetings on the meeting Agenda, along with the balances of all Parish Council bank accounts.</p> <p>All income and expenditure are also entered on to the electronic summary cashbook.</p> <p>The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook accordingly. All accounts are available for public inspection.</p>	<p>Current procedure is adequate. Current finances are reported monthly and reviewed by full council.</p>
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- Financial Risk Assessment Policy

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Audits	Annual Audit is not completed within the set deadline Annual Audit is not advertised	L L	The Clerk/RFO prepares the year end accounts and Annual Return for the Independent Internal Auditor and the external NALC Auditor to review.. Once the accounts have been returned and any recommendations reported on and observed, Council then approves them at its meeting in May with all audit papers and the annual return being submitted to the External Auditor for review. The Clerk is to ensure the annual audit notice is put on the Council notice board and website for the public to view, for the prescribed period of time.	Current procedure adequate. The Clerk holds a review meeting with the Chairman and Internal Controller before the year-end accounts prior to approval and submission.
Invoices	Goods not supplied but billed Incorrect Invoicing Unpaid Invoices	L L L	All invoices are only paid after the service or goods have been received to the Council' satisfaction, and only after full Council have approved them. All requests /orders for goods and services are confirmed in writing by the Clerk/RFO, to agree all costs involved. The Clerk/RFO is to check all invoices received for accuracy and ensure all information is entered into the Cashbook. As the Parish Council raises very few invoices, this is easily dealt with by the Clerk following up any unpaid invoices monthly.	Current procedure is adequate. The Cashbook (budget) is reviewed annually by the Clerk/RFO and Internal Controller.
Freedom of Information Act	Non-compliance with the Model Publication Scheme	L	Information and documentation are made available on the Parish Council website, which is currently being developed further, in order to comply with the Model Publication Scheme. Information is also publicised on the parish notice boards, with all FOI's dealt with in accordance with the Model Publication Scheme.	Reviewed annually, therefore current procedure is adequate.
Salaries	Salary and expenses paid incorrectly Incorrect NI & Tax deductions and Pension contributions	L L	Sholden Parish Council only employs one person, the Clerk. The Clerk presents their wage, expenses and any extras, monthly, via the meeting Agendas. Full Council approves all presented figures at the monthly meetings before payment is made and this is minuted as such. To ensure accuracy of salary and tax/NI payments/contributions, PAYE is used.	Current procedures are adequate.

Sholden Parish Council - Financial Risk Assessment Policy

Data Protection	Non-compliance with Data Protection Legislation	L	Sholden Parish Council is registered with ICO the UK Data Protection Agency and governed by their rules.	Reviewed annually, therefore current procedure is adequate.
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Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Insurance	Inadequate Cover	L	An annual review is undertaken prior to the renewal of the insurance policy. Third party risk is including within the cover, with current liability set at £5m. The amount is reviewed annually to ensure insurance cover is sufficient for the Parish Council's needs. Currently insured for cover in all areas for which SPC is responsible. .	Due to the insurance being reviewed annually and cover updated with any capital items as and when required, the current procedure in place is adequate.
	Fidelity Guarantee	L		
	Public Liability	L		
	Personal Accident	L	All Council members, employees and/or volunteers of the Parish Council are covered under the personal accident plan of the insurance policy, with Risk Assessments undertaken for any major events and the insurance company notified of such.	
	Cost	L	Three quotations are obtained at the end of each insurance cover and presented to Council.	
Physical Assets	Loss or damage Risk/damage to third party(ies) property	L	An annual physical assets review is conducted for insurance, storage and maintenance purposes. This is done by the Clerk. An annual review is also conducted for the level of public liability insurance required.	The Asset Register is updated when necessary with a full review conducted annually.
Financial Assets	Adequacy of Reserves	L		
			Considered by Council annually at budget setting in October/November and minuted.	Reviewed annually by Council.

Signed by the Chairman:.....

Reviewed and Adopted at the Parish Council Meeting on: ? ? 2019

Signed by the Clerk/RFO:.....