

GREAT WYRLEY 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.

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate Precept	L	<p>To determine the precept required, the Clerk/RFO 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 and creates a budget. This is then presented to Council to enable them to make an informed decision and subsequent approval of such. This will be placed on the agenda and advertised on the notice boards and website so that the public can attend. The Clerk then contacts South Staffordshire Council for processing and subsequent payment. The Clerk/RFO checks the Bank Account in April and again in September, to ensure that the half yearly precept payments have been made.</p> <p>If a payment has not been made, the Clerk contacts South Staffordshire Council to resolve the issue.</p>	The procedures in place are adequate and are reviewed annually.
	Precept not paid by District Council	L		

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Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations	L	The Clerk/RFO and Council follow the Financial Regulations as set out by NALC, which have been revised and adopted by the Parish Council. These are reviewed annually by the Clerk/RFO and Council and adopted at the 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/RFO and Council follow the Model Standing Orders as set out by NALC, which have been revised and adopted by the Parish Council. These are reviewed annually by the Clerk/RFO and Council and adopted at the Annual Parish Council Meeting.	Current Standing Orders are adequate and adopted by Council
Banking Records and Banking	Banking/Financial Errors Loss through theft and dishonesty	L	All items of income and expenditure are cross-referenced against the bank statements and a monthly reconciliation report created. All banking records are examined by the internal Auditor appointed by the Parish Council. All expenditure and income is reviewed by the Council at the monthly meeting for approval by Council and minuted as such. All cheques have to be signed by 2 signatories of the approved signatories appointed by the Parish Council. Blank cheques are never authorised and if a mistake is made, the cheque is automatically cancelled. The Council is also covered by an annual insurance policy.	Current procedure and insurance is adequate.

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Electronic Payments (BACS)	<p>Payments made without Council approval</p> <p>Incorrect electronic payment or amount made.</p> <p>No monitor on actual electronic entry.</p>	<p>L</p> <p>M</p> <p>M</p>	<p>All BACS payments are approved by the Parish Council prior to the payment being made. If a payment needs to be made outside of the meeting, then approval is sought from the Chairman first with the decision and payment ratified at the next available Council meeting. If an incorrect BACS amount is paid, it is easily rectified given that BACS payments are only made to regular well known suppliers and local bodies. The online banking process also allows the Clerk/RFO two checks of what has been input, before the BACS payment is confirmed and subsequently paid.</p> <p>As the details of the regular supplier/local body are already loaded in the system and do not require inputting each time a payment is made, it ensures payment is made to the correct bank account. The Clerk/RFO prints off the transaction confirmation report and retains until the monthly bank statement is available.</p>	Reviewed annually
Financial Records	Inadequate Records	L	<p>The Parish Administrator enters all expenditure and income into the Scribe Financial Package which is electronically saved and backed up. Reports are then created and circulated to Council monthly. Half yearly and annually. All files are reviewed by Mr. P. A. Cooper, the Internal Auditor, twice yearly before they are submitted to Mazars the External Auditors.</p>	Reviewed annually
Grants awarded to Council	Not receiving grant funding when successfully applied for.	L	<p>The Clerk/RFO is to ensure that all grant payments are received by Council according to the terms of the grant and at the correct time; following up with individual local authority and/or organisation if they are not.</p>	Reviewed annually

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Grants awarded by Council	Not following the grant claims procedure	L	The Clerk/RFO ensures the Grants Policy is adhered to and that all qualifying organisations are notified of the claims process annually. 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 Grants policy.	Reviewed annually
Cash	Loss through theft or dishonesty	L	No cash is held by the Clerk/RFO. If cash is received as a payment it is banked.	Reviewed Annually
Borrowing	Ability to repay loans	L	The Clerk/RFO ensures that appropriate cash-flow forecasting is completed before any loan is applied for.	Reviewed as and when finance is required for a particular project not covered by the precept and at budget time.
Best Value	Charges made on the Parish Council are too high.	L	The Clerk/RFO should obtain at least 2 estimates/quotations for any work undertaken by contractors on behalf of the Parish Council and for any major expenditure further quotes, as set out in the Financial Regulations. All estimates/quotations are then to be agreed and approved by the Parish Council and entered in the minutes accordingly.	Current procedure is adequate

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Financial Reporting	Insufficient Information	L	All income and expenditure is presented to Parish Council meetings via monthly reports and the meeting agendas, along with the balances of all accounts. All income and expenditure is also entered on to the Scribe Computer Package under the correct cost codes. The Clerk/RFO ensures that all VAT Claims for reimbursements are made and that all accounts are available for public inspection.	Current procedure is adequate
Invoices Incorrect invoicing Unpaid invoices	Goods not supplied but billed	L	<p>All invoices are only paid after the service or goods have been received to the Council's satisfaction and only after full Council has approved them.</p> <p>The Parish Administrator checks all invoices received for accuracy.</p> <p>The Parish Administrator examines the Bank Account against the invoices raised and makes contact with customers who remain unpaid.</p>	Current Procedure is adequate

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Insurance	Inadequate cover	L	<p>An annual review is undertaken prior to the renewal of the insurance policy. Third party risk is included within the cover, against the Asset Register to ensure insurance cover is sufficient for the Parish Council's needs. The Parish Council maintains insurance cover in all areas.</p> <p>The play equipment at the recreational grounds are regularly inspected and annually by an external ROSPA Inspector under an arrangement with the Principal Local Authority.</p>	Due to insurance being reviewed annually and cover updated with any capital items as and when required, the current procedure in place is adequate.
Public Liability			<p>All Council Members, employees of the Parish Council are covered under the personal accident plan of the insurance policy. Risk Assessments are undertaken for any major events and the insurance company notified.</p> <p>Quotations are requested when each renewal period arises.</p>	Quotations will be obtained annually and in cases where a longer term agreement
Cost				
Audits	Annual Audit is not completed within the set deadline.	L	<p>The Clerk/RFO prepares the year end accounts and statements including the Annual Governance and Accountability Return for the Internal Auditor to inspect. Once the accounts have been returned and any recommendations reported on and observed, Council then agrees for the Clerk/RFO and Chairman to approve them. All Audit papers are then submitted to the External Auditor for review and authorisation. The Clerk/RFO ensures the annual audit exercise of Public Rights and Conclusion of Audit notices are displayed on the Council website for the public to view, for the prescribed period of time.</p>	Current procedure adequate

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Freedom of Information Act	Non compliance with the Model Publication Scheme	L	Information and documentation is made available on the Parish Council website, in order to comply with the Model Publication Scheme. All FOIs are dealt with in accordance with the Model Publication Scheme.	Reviewed annually, therefore, current procedure is adequate.
Salaries	Salary and expenses paid incorrectly.	L	<p>The Parish Council employs ten people; the Clerk/RFO, the Parish Administrator, Community Centre Manager, Head Groundsman, Assistant Groundsman, two cleaners, a litter picker, a Cemetery Gatekeeper and a Dancing Class Instructor.</p> <p>The Clerk/RFO presents their wage expenses and any extras such as pension contributions, monthly, via the meeting Agendas. Full Council approves all presented figures at the monthly meetings, which is recorded in the minutes.</p> <p>To ensure accuracy of salary and tax/NI payments/contributions, the Clerk/RFO uses HMRC PAYE online system and guidance via IRIS Software.</p>	Current procedures are adequate.
Deductions	Incorrect NI & Tax deductions and Pension Contributions			
Data Protection	Non-compliance with Data Protection Legislation	L	The Parish Council is registered with the ICO the UK Data Protection Agency and is governed by their rules. The Council has also adopted procedures/policies concerning the 2018 General Data Protection Regulation.	Reviewed annually, therefore, current procedure is adequate.
Physical Assets	Loss or damage Risk/Damage to third party property	M L	An annual review is conducted for insurance, storage and maintenance purposes. An annual review is also conducted for the level of public liability insurance required.	
Financial Assets	Land rent not paid or rent income received. Adequacy of Reserves		<p>The Clerk/RFO is to ensure that all rent income and expenditure is paid in a timely manner and recorded.</p> <p>Reserves are considered by Council annually.</p>	