



Financial Risk Assessment for Salhouse Parish Council

These regulations were adopted by the Council at its meeting held on 6th July 2020

Reviewed – **27th March 2023**

Next review due - March 2024

Date of Amendment Author	Issue Number	Summary of Change
06 th July 2020 Sarah Martin – Clerk/RFO	V1	Item 3.4 added Payments made via the Council’s online bank account will be set up by one signatory and approved/released by one further signatory.

The following control systems are in place to ensure that Salhouse Parish Council is doing everything possible to protect public money from financial risk.

Finances Risk: 1. Accounting errors due to lack of financial control. Procedures to address risk:

1.1 Responsible Financial Officer (RFO) will be appointed whenever a vacancy arises. The RFO's job description to be agreed and minuted annually (as part of the appraisal process).

1.2 Where the RFO is also the Clerk, a Parish Councillor or other approved person will be appointed by the Parish Council with a special responsibility for financial matters.

1.3 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.

1.4 Electronic data will be backed-up.

1.5 All authorised payments will be written and entered on the computerised receipts and payments system within two weeks of the meeting authorising payment.

1.6 Where payments are made by cheque, cheque numbers will be written on invoices when paid along with the date authorised.

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. The Internal Audit Control Officer will confirm on their report that they have seen and checked bank statements and sign the final bank statements of the financial year.

1.9 VAT will be reclaimed when the amount due reaches £1,000, 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 Officer will carry out a regular review of the accounts every quarter and report his/her findings to the Council.

1.12 Appropriate training is to be provided for 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 to January to determine the budget for the following financial year and to determine the Precept to be applied for.

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, on each anniversary of the grant of the contract.

2.4 The Contract of Employment and salary of the Clerk, or any other employee, will be reviewed annually as per their contract.

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/RFO cannot make purchases of individual items in excess of £500 without the 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 Bank Mandate, and cheque stubs to be initialled by those two councillors. Payments made via the Council's online bank account will be set up by one signatory and approved/released by one further signatory.
- 3.5 The Clerk will maintain a Register of Interests of all Councillors. Councillors will advise the Clerk in writing of any changes to those interests as and when they arise.
- 3.6 The RFO will make monthly returns to the H M Customs and Revenue to ensure that they are kept informed of monies paid to the Clerk, or any other employee (if applicable).
- 3.7 Year end accounts will be prepared by the RFO for circulation to the Parish Council by mid-May following the financial year end on 31 March.
- 3.8 Appointment of Independent Internal Auditor will be reviewed following the conclusion of the internal audit.
- 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. Clerk 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 annually to ensure adequate cover is maintained.
- 4.2 Fidelity insurance to be considered.
- 4.3 An Asset Register will be maintained by the Clerk and updated at the time assets are added or removed, and will be presented to the Council for inspection at the Annual Parish Council Meeting.

Public Liability Risk: 5. Liability to Public to Provide a Duty of Care. Procedures to address risk:

- 5.1 Health and safety checks carried out on the 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.
- 5.2 Annual inspection of the play area to take place every June and findings reported to Council at the next monthly meeting, following receipt of the report.
- 5.3 Risk assessments for all other areas of the council's business to be reviewed every year, 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 2 months of commencement of employment.
- 6.2 Job description of employee reviewed annually at the Clerk's annual appraisal.
- 6.3 Appraisal carried out annually on anniversary of appointment and agreed targets reported to council at the next council meeting.
- 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.
- 6.5 Appropriate training to be provided for all identified training needs necessary to carry out role.
- 6.6 Risk assessment carried out within two months of joining the council on clerk's/RFO's work station and immediate working area (where working from home), risks identified and reported to council and action taken to reduce risks. This assessment to be carried out independently of the Clerk/RFO by a suitably qualified Councillor or advisor to the Council. The Clerk may request further assessments.
- 6.7 Appropriate equipment to be provided to ensure that employee can carry out 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

This document will be reviewed every year.