

Shafton Parish Council Financial Risk Assessment

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	<p>Inadequate Precept</p> <p>Precept not paid by Local Authority</p>	<p>L</p> <p>L</p>	<p>1.By no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget this will put on the agenda and considered by Shafton Parish Council Finance & General Purpose Committee.</p> <p>2.The Parish council will then consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding as the clerk I will then update the forecast accordingly.</p> <p>3.Shafton Parish council will fix the precept to be levied for the ensuing financial year not later than by the end of January each year this will put on as an agenda item of the Council 's Finance & General Purpose Committee. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.</p> <p>4.The approved annual budget shall form the basis of financial control for the ensuing year.</p> <p>The Clerk then submits the Precept form to Barnsley MBC . The Clerk/RFO checks the bank account regularly between April/May annually to ensure the half yearly precept payment has been made by BMBC and notifies them if not.</p>	<p>It is recommended that the council adopt a new policy as set out in Management/Control of Risk items 1,2,3 and 4 then review annually.</p>
Financial Regulations	<p>Not adhering to policy and procedures as set out in the Financial Regulations. Inadequate banking checks and financial controls</p>	<p>L</p>	<p>Need to adopt new model Financial Regulations as set out by NALC These are to be reviewed annually by the Clerk and Council and adopted at the May Annual Parish Council Meeting.</p>	<p>It is recommended that new Standing Orders and Financial Regulations be adopted.</p>

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	<p>Loss through theft</p> <p>Timely collection of income due. All councils should have adopted a set of Financial Regulations - if the council has not adopted financial regulations then it is open to considerable risk and this should be rectified.</p>			
Handling Cash	Loss through theft		<p>The parish council does not handle cash on a daily basis. The regular income is precept, bank interest and VAT return, allotment rents on an annual basis, and letting fees for the Welfare Hall .All of these are paid directly into the parish council's bank account. All cash income is subject to a written receipt. . Any sundry items are to be purchased using the Council Debit Card as per procedure (as outlined in the Financial Regulations), or by the Clerk personally and claimed back via the expenses against receipts held.</p>	<p>Current procedure adequate.</p> <p>Reviewed annually.</p>
Bank Records & Banking	<p>Banking / Financial Errors</p> <p>Loss through theft and dishonesty</p>	L	<p>Five councillors are cheque signatories. Two signatures are required by the bank. Cheques are only signed at meetings of the council. The clerk also has access to internet/ telephone banking. He is the only person registered to use this service and it can only be used to transfer money between accounts and check balances. Those accounts include Barnsley MBC's who have implemented a Bacs transfer only policy for contracted services, and those of the Staff for payment of wages plus HM Revenue and Customs. Direct Debit's are in operation.</p>	<p>Current procedure adequate.</p> <p>Reviewed annually.</p>

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Employers liability	Inadequate Cover	L	The council employs a clerk, a village caretaker, and utilises voluntary labour. It's insurance policy with Zurich Insurance provides employers liability cover of £10 million	Current insurance adequate. Reviewed annually.
Public liability	Inadequate Cover	L	The council has public liability cover to £2 million under its policy with Zurich Municipal Insurance.	Current insurance adequate. Reviewed annually.
Fidelity guarantee	Inadequate Cover	L	The council has fidelity guarantee cover to £250,000 under its policy with Zurich Municipal Insurance.	Current insurance adequate. Reviewed annually.

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Financial/Account Records	Inadequate Records	L	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.	Reviewed annually.
Internal audit	Internal Annual Audit is not completed within the set deadline	L	The Council to appoint an internal auditor until further notice.	Reviewed annually.
Wages	Salary and expenses paid incorrectly Incorrect NI & Tax deductions and Pension contributions	L	The wage records and respective PAYE and NI details of all staff are kept on the lap top and are updated on a monthly basis	Current procedures are adequate.
Investment Account/Income	Loss of funds	L	The account is reviewed regularly and reconciliations are completed for authorisation by the Parish Council Internal Controller. To adhere to the Investment Policy.	Review annually. Policy currently being created.
Grants	Not receiving grant funding when successfully applied for Not following the grant claims procedure Grant Payments	L L L	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. The Clerk/RFO ensures the grant policy is adhered to and that all qualifying organisations are notified of the claim process annually. 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.	All reviewed annually.

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Debit Card	Incorrect use	M	<p>Restricted to use by the Clerk only and only used in line with policy and procedure.</p> <p>All purchases to be made using the card, are reviewed and agreed by the Chairman before the purchase is made, with all records of use being added to the cashbook and invoice folder, including all receipts. All debit card purchases are to be added to the monthly agenda under Accounts, for review and approval by Council.</p>	Reviewed annually.
Borrowing	Ability to repay any loans	L	The Clerk/RFO ensures that appropriate cash-flow forecasting is completed as and when required and annually, as well as completing affordability check calculations and a report to present to council before any loans are applied for.	Reviewed as and when finance is required for a particular project not covered by the Precept and at budget time.
Financial Reporting	Insufficient information	L	<p>All income and expenditure is presented at Parish Council's F and G P C meetings on the meeting Agenda, along with the balances of all Parish Council bank accounts.</p> <p>All income and expenditure is also entered on to the cashbook against the correct department/area of expenditure</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>	Recommend a review and investigate the use of accounting software

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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 Internal Auditor to review, who is appointed by the council. 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.

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Physical Assets	Loss or damage Risk/damage to third party(ies) 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.	The Asset Register is updated when necessary with a full review conducted annually.
Financial Assets	Land Rent not paid or rent income received	L	The Clerk/RFO is to ensure that all rent income and expenditure, is paid in a timely manner and recorded within the budget.	All rent payments and income is reviewed annually.

Reviewed and Adopted at the Parish Council Meeting on: 12 October 2020

Signed by the Clerk/RFO: *David C Gill*