

**RENHOLD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT POLICY 2018/19**

Item	Detail	H/M/L	Assessment	Financial Regulation	Action
<b>Purchase Orders and Payments</b>	<p>Goods, services and works acquired on behalf of the Council:</p> <ul style="list-style-type: none"> <li>• Goods not supplied to Council</li> <li>• Invoice incorrectly recorded or calculated</li> <li>• Accuracy of cheque i.e. amount or payee</li> </ul>	M L M	<p>Follow up on order/service</p> <p>Check calculations on invoices <i>and signatory initial</i></p> <p>Signatory initial stub</p>	6, 10, 14	<p>Clerk to approval check</p> <p>Member verify</p> <p>Approval check by member</p>
<b>Annual Budget</b>	<p>Preparation, consideration and formal agreement for precept:</p> <ul style="list-style-type: none"> <li>• Not submitted</li> <li>• Payment not received by local authority</li> <li>• Adequacy of precept</li> <li>• Adequacy of reserves for general and earmarked items</li> </ul>	L L M L	<p>To be monitored throughout year</p> <p>Minute of resolution, RFO to follow up</p> <p>Confirm receipt, to be minuted</p> <p>Regular review of budgeted to actual for income and expenditure throughout the year</p> <p>Consider with budget setting and review of final accounts</p>	3	<p>As/when required</p> <p>As/when received</p> <p>To complied regularly by RFO throughout the year and as/when required by Council, checks to be minuted</p> <p>RFO provide information and plan</p>
<b>Petty Cash and Other Income</b>	<p>Handling of monies received:</p> <ul style="list-style-type: none"> <li>• Cash handling</li> <li>• Cash banking</li> </ul>	L L	<p>The Council does not operate petty cash, handling is avoided</p> <p>If received, necessary controls in place</p> <p>Carried out as soon as possible, paying in book stamped and recorded in cash book</p>	6 & 9	<p>Regularly reviewed</p> <p>Member monitors</p>
<b>Payroll</b>	<p>Payment of wages and salaries to Council employee:</p> <ul style="list-style-type: none"> <li>• Wrong salary/hours/rate paid</li> <li>• Failure to deduct, correct tax and NI contributions, failure to comply with current legislation</li> <li>• Self employed status</li> </ul>	L L L	<p>Any employees to submit timesheet, hours, rate and calculation to be checked</p> <p>Check to PAYE calculations if appropriate</p> <p>*considered low as no employees at present</p> <p>Evidence of agreed self employed status from Inland Revenue would need to be</p>	7	<p>Member to verify and all members to receive copy</p> <p>Member to verify</p> <p>Council to be in receipt of letter and to be kept on file</p>

			seen by Council *considered low as no self employed individuals services used		
<b>Asset Control</b>	Record of Council's Assets and investments: <ul style="list-style-type: none"> <li>Loss, damage, disposal etc</li> <li>Risk or damage i.e. third party or individuals</li> </ul>	M M	To be reviewed annually and as per purchase or disposal of any assets. Failure to maintain or review could result in undervaluing i.e. insurance. Consider adequacy of insurance including public liability	14	Review Asset Register and insurance policy annually, and as/when required Reviews to be minuted
<b>Bank reconciliation</b>	Record of the Council's transactions in respect of income and expenditure. To be monitored and carried out regularly.	M	Failure to undertake reconciliation could result in loss of income, inappropriate payments or misappropriation of funds. To be monitored and carried out regularly.	2	Review Financial Regulations annually Member checks and to be minuted
<b>Year end accounts</b>	Statement of financial activity of the Council for each year.	L	Failure to provide an accurate statement of the Council's financial transactions for each year.	2	To be completed by RFO/Clerk, checked and verified by members at full Council Internal Audit carried out as external verification
<b>Insurance</b>	Insurance cover provided for Council's financial and other activities.	M	Inadequate cover could lead to financial loss and legal claims against the Council. Any new activity/asset to be considered in relation to insurance as and when necessary.	15	Review Insurance Schedule annually, or as/when required
<b>Financial Records</b>	Record of Council's financial transactions: <ul style="list-style-type: none"> <li>Inadequate records</li> </ul>	L	Failure to ensure safekeeping and updating of records. RFO/Clerk to review regularly and internal audit and controls in place.	1 & 2 & 6	To be checked by full Council or delegated Committee i.e. Finance Committee and regular reports to be made to full Council. Reviews to be minuted
<b>Internal Audit</b>	Review of systems and controls implemented by Council: <ul style="list-style-type: none"> <li>Effectiveness</li> </ul>	L	Failure to secure independent internal audit and record audit results.	2	An appropriate independent individual to carry out audit, regular review of process
<b>External Audit</b>	Completion of the Audit Commission process.	L	Failure to comply with statutory	1 & 2	Compliance as/when required

			requirements for completion and publication of Audit. Council to produce documentation as and when required for external purposes.	
<b>VAT</b>	Accurate recording and accounting of VAT and reclamation: <ul style="list-style-type: none"> <li>VAT analysis</li> <li>Charged on purchase</li> <li>Reclamation within time limits</li> </ul>	M L M	Consideration of failure to comply with legislation All items listed separately in cash book Consider all items as cash book lists Returns to be submitted annually	RFO verify RFO verify RFO verify
<b>Grants Awarded</b>	Grants awarded to external organisations: <ul style="list-style-type: none"> <li>No power to pay or evidence of agreement of Council to pay</li> <li>Conditions agreed</li> </ul>	M L	Consideration of council powers Council minute sating agreement and resolution Agree and document any reasonable conditions	Member verify RFO check
<b>Grants Received</b>	Grants received from external organisations: <ul style="list-style-type: none"> <li>Claim procedure</li> <li>Receipt of grant when due</li> </ul>	M M	To maintain thorough monitoring Clerk/RFO monitor as required Clerk/RFO monitor as required	Ongoing as required Ongoing as required
<b>Staff</b>	<ul style="list-style-type: none"> <li>Loss of personnel</li> <li>Fraud by staff</li> </ul>	L L	Risk monitored as appropriate, appraisal undertaken Appropriate cover of insurance to be place, fidelity guarantee	Member review Full Council to review annually or as/when required
<b>Legal Powers</b>	Council awareness of statutory powers <ul style="list-style-type: none"> <li>Illegal activity or payment</li> </ul>	M	Qualified Clerk/RFO, regular contact with external advisory organisations i.e. BATPC and education of Council	Ongoing
<b>Minutes</b>	Accuracy and legality of minutes of meetings	L	Circulated to all members and reviewed at following meeting	Ongoing, each page of minutes once approved is initialled
<b>Members Interests</b>	<ul style="list-style-type: none"> <li>Conflict of interest</li> <li>Register of Members Interests</li> </ul>	M L	Declarations recorded in minutes and addressed as appropriate Register maintained	Ongoing as/when required, recorded by Clerk Clerk maintains, updates as required and forwarded to local authority