

## GREAT WYRLEY PARISH COUNCIL

### FINANCIAL RISK ASSESSMENT POLICY – ADOPTED 4<sup>TH</sup> SEPTEMBER, 2024

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	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.	The procedures in place are adequate and are reviewed annually.
	Precept not paid by District Council	L	If a payment has not been made, the Clerk contacts South Staffordshire Council to resolve the issue.	

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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 in line with relevant legislation updates and/or updates/amendments to in house financial procedures by the Clerk/RFO and the Audit and Governance Committee and adopted at the next available meeting of the Parish Council.	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 in line with relevant legislation updates and/or updates/amendments to in house financial procedures by the Clerk/RFO and the Audit and Governance Committee and adopted at the next available meeting of the Parish Council.	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 at the Audit and Governance meetings for Quarter One, Two and Three and by full Council for Quarter Four at preparation for yearend audit. 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 with 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 made Under Urgent Powers with payment ratified at the next available Council meeting.</p> <p>The online banking process allows the Clerk/RFO two checks of what has been input before the BACS payment is confirmed and subsequently paid.</p> <p>If an incorrect BACS amount is paid to a supplier the payment can be recalled from the bank if the timeline allows. If recall of the amount is not available the supplier is to be contacted to agree appropriate course of action to rectify the error. For underpayments, additional payment to be made to correct amount due.</p> <p>The details of the regular supplier/local body are already loaded in the banking system and do not require inputting each time a payment is made. All requests for BACS payments including regular and one off payments are to be presented with a completed analysis page and invoice reflecting the information which provides verification before processing of the payment.</p> <p>To pay a regular payment by Direct Debit, such as gas, electricity etc. permission and signatures are sought at the point of contract and payments reported to Council at the end of each financial quarter. To ensure value for money direct debit payment or contract are able to be reviewed at any time by the Audit and Governance Committee/ Parish Council.</p>	

Financial Records	Inadequate Records	L	The Parish Administrator enters all expenditure and income into the Scribe Financial Package which is web based. Reports are then created and circulated at the Audit and Governance Committee, presented to Full Council and published on the Parish Council website half yearly and annually. All files are reviewed by the Internal Auditor, at least twice yearly before they are submitted to the External Auditors.	Reviewed annually
Grants awarded to Council	Not receiving grant funding when successfully applied for.	L	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.	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	When cash is received as a payment it is reconciled against receipts, banked at random intervals, but no less than once a month (this ensures that patterns are not recognised with regard to security) and entered into Scribe Financial Package.	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	<p>All income and expenditure is presented to Parish Council meetings. All income and expenditure is also entered onto the Scribe Financial package using cost codes. Reports and reconciliations are presented to the Audit and Governance committee at Quarter One, Two and Three and to full Council at year end. Following approval of accounts at Quarter Two (half Year), payments report and bank reconciliation will be published on website. The Clerk/RFO ensures that all VAT Claims for reimbursements are made at the end of the financial year after the year's accounts have been approved by Parish Council and that all accounts are available for public inspection in line with the current External Auditor's requirements.</p>	Current procedure is adequate
<p>Invoices</p> <p>Incorrect invoicing</p> <p>Unpaid invoices</p>	Goods not supplied but billed	L	<p>Invoices are paid after the service or goods have been received to the Council's satisfaction; although some companies insist on payment beforehand. In such instances a pro forma invoice is to be provided and if terms and conditions allow payment authorised at the next available Council meeting. If payment is required before the next available meeting the Clerk has the power to activate payment following procedures under urgent powers.</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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<p>Insurance</p> <p>Public Liability</p> <p>Cost</p>	<p>Inadequate cover</p>	<p>L</p>	<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> <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>	<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.</p> <p>Quotations will be obtained annually and in cases where a longer term agreement</p>
<p>Audits</p>	<p>Annual Audit is not completed within the set deadline.</p>	<p>L</p>	<p>The Clerk/RFO prepares the year end accounts and statements including the Annual Governance and Accountability Return (AGAR) in line with current requirements from the External Auditor. This will include ensuring that inspections by the Internal Auditor take place throughout the year, but no less than 2 separate occasions, with the Clerk/RFO reporting any recommendations on the Internal Auditor's observations to the next available Audit and Governance Committee.</p> <p>Once the accounts for the year ending 31<sup>st</sup> March are prepared and presented to Council the Clerk/RFO and Chairman are to sign papers once Council has given full approval. 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.</p>	<p>Current procedure adequate</p>





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	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	L	The Clerk/RFO is to ensure that all rent income and expenditure is paid in a timely manner and recorded. Reserves are considered by Council annually.	