# Everdon Parish Council

# Financial Risk Assessment

|  |  |  |
| --- | --- | --- |
| Risk | Level | Control measures |
| Finance |  |  |
| Banking | Low | Accounts held with high street bank – NatWest Daventry. Mandate in place to authorise the bank to automatically sweep balances in excess of £100 from the Current to Reserve Account. |
| Financial controls and records | Low | Monthly bank reconciliations are prepared by RFO, reported to Council, copied to councillors.  Cheque payments are approved by three councillors and the Clerk/RFO keeps chequebook.  The Chairman of the Finance Committee (internal control officer) checks bank reconciliations against bank statements and approves them every quarter.  Internal audit verifies accurate recordkeeping. |
| Online banking controls:  Financial Regulations 5 and 6 | Medium | The Clerk/RFO has been appointed as Service Administrator for the purpose of online banking;  The Council maintains adequate Fidelity Guarantee insurance to cover employee dishonesty. The current limit is £150,000.  Online payment transactions are capped at £1,000 per transaction and must be authorised by two signatories. Payments in excess of £1,000 will either be made by cheque, signed by three signatories or by prior approval at a meeting of the full Council.  The Clerk shall draw up a list of annual payments for the Council’s approval, arising on a regular basis as a result of continuing contracts, statutory duty, (such as but not exclusively), salaries, PAYE and regular maintenance contracts for which the council may authorise payments for the year, provided that the requirements with regard to Budgetary Controls are adhered to. These payments must be recorded in the agenda/minutes and approved at council meetings in the usual way.  Following the above authorisation, payments may be initiated by the Clerk/RFO, and authorised by two signatories, before the transaction is concluded.  A note containing PIN/password/s for access to the council’s records on the computer is retained by the chairman in a sealed/dated envelop which may not be opened other than in the presence of two other councillors. If the envelope is opened for whatever reason it shall be reported to all members immediately and formally at the next meeting of the council.  Access to any online banking accounts will be directly to the access page and not through a search engine or e-mail link.  Changes to account details for suppliers, which are used for online banking, may only be changed on written hard copy notification and supported by hard copy authority for change signed by the Clerk/RFO.  PINS/passwords relevant to the working of the council or its bank accounts may not be disclosed to any person not authorised in writing by the council or a duly delegated committee.  In the event of the Clerk terminating her employment for whatever reason, the online bank card will be destroyed and council will review its banking arrangements.  Remembered or saved password facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.  Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.  The Clerk shall ensure that the computer used for the council’s financial business, shall have anti-virus, anti-spyware and firewall, software with automatic updates, together with a high level of security.  Where online banking arrangements are made with any bank, the Clerk/RFO has been appointed as the Service Administrator. The Bank Mandate approved by the council has identified a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals. |
| Comply with Customs and Excise Regulations | Medium | Use helpline when necessary. VAT payments and claims calculated by RFO. Internal and external auditor to provide double check. |
| Sound budgeting to underline annual precept | Low | Clerk sends detailed budgets to the Finance Committee before end November annually. Precept derived directly from approved budget. Council reviews expenditure against budget at all Council meetings. |
| **External Audit** |  |  |
| Documents posted to the Council’s website, as required by the ‘Transparency Code’ for Smaller Authorities which replaced the external audit from 2015/16 | Medium | * List of all expenditure above £100 - date the expenditure was incurred, summary of the purpose of the expenditure, amount and Value Added Tax that cannot be recovered. * End of year accounts; * Annual governance statement; * Internal audit report; * List of councillor/member responsibilities; * Details of public land and building assets – asset register; * Minutes, agendas and meeting papers of formal meetings. |

|  |  |  |
| --- | --- | --- |
| **Precept** |  |  |
| Not submitted  Not paid by Daventry District Council  Adequacy of Precept | Low  Low  Medium | Full PC Minute – Clerk/RFO to follow up.  Check and Report to Finance Committee.  Monthly review of budget to actual expenditure. |
| **County Council Grants** |  |  |
| Submit Invoice annually for mowing grant  Check if other grants are due | Low  Low | Clerk/RFO to check and confirm  Chairman/Clerk to determine and/or follow up. |
| **Clerk’s Salary** |  |  |
| Wrong Salary / hours / rate / NI / PAYE paid (Financial Regulation 7.2 and 7.3 | Medium | Councillors check/approve all payslips and attached P32 forms to ensure that the correct salary and PAYE payments are made. |
| Comply with HMRC requirements | Low | A print-out showing monthly pay and PAYE deducted is attached to payslip and is verified monthly when approving payment. Internal auditors carry out annual checks. |
| **Grants** |  |  |
| Power to pay grant  Payment accuracy | Low  Low | Review payment/amount of grant to St. Mary’s Church Everdon annually during budget review.  Councillors to verify payment when signing cheque or approving online payments |
| **Election Costs** |  |  |
| Invoiced at agreed rate | Low | RFO to include provision in the budget. Councillors to verify accuracy of payment prior to approval. |
| **VAT** |  |  |
| Claimed within time limits | Medium | Clerk / RFO to review monthly. Submit claim when VAT amounts to £100. Finance committee checks at annual budget meeting in November. |
| **Budget Reserves** |  |  |
| Adequate provision | Medium | Consider at budget setting |
| **Loss of Clerk** |  |  |
| Loss of council information | Low | Computer belongs to Council. Files are back up to OneDrive and on memory sticks at least monthly - one each for retention by the Chairman and Clerk. |

|  |  |  |
| --- | --- | --- |
| **Insurance** |  |  |
| Public & Products Liability | Low | Existing statutory insurance cover of £10,000,000 |
| Official’s Indemnity | Medium | Existing cover of £500,000 |
| Employer’s Liability | Low | Existing cover of £10,000,000 |
| Defamation & Intellectual Property Rights (Libel & Slander) | Low | Existing cover of £500,000 |
| Fraud and dishonesty | Low | Existing cover of £150,000 |
| Internet and email | Medium | New cover of £50,000 included in the policy |
| Crisis containment | Low | New cover of £25,000 included in the policy |
| **Legal Liability** |  |  |
| Business is conducted within legal parameters | High | Clerk to clarify legal position on any new proposal. Legal advice to be sought where necessary. |
| Website documents comply with Accessibility Code | Low | Clerk to ensure that all new documents comply with effect from September 2020. |
| The Council’s website complies with the Transparency Act | Low | Documents listed in the Transparency Act are available on the website |
| Document control | Low | Agendas and minutes are available on the website, and paper copies for previous financial years are archived at the Records Office in Northamptonshire. |
| **Councillors’ propriety** |  |  |
| Declaration of Interests in place | Medium | All new Councillors complete a Declaration of interests form. Declarations are reviewed and updated, if necessary, at the Annual Parish Meeting. |
| **Minutes** |  |  |
| Accurate and legal | Low | Minutes are reviewed and approved at the next meeting. |
| **Assets** |  |  |
| Village Hall: Security, insurance and equipment. | Low | The village hall is maintained and insured by the Village Hall Committee, a charitable trust, who is responsible for all maintenance from the proceeds of the rental and fundraising income. |

|  |  |
| --- | --- |
| Date Reviewed | 8 June 2020 |
| Date of next review | May 2021 |