

**YAXHAM PARISH COUNCIL
FINANCIAL RISK ASSESSMENT**

The following control systems are in place to ensure that Yaxham 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 A 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. This individual's title is Internal Audit Control Officer.
- 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 to the cloud.
- 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. The two signatories authorising payment will initial the schedule of payments to indicate that it agrees with invoices presented.
- 1.7 Cash and cheques received will be entered on the cashbook upon receipt and banked by the RFO as soon as reasonably practicable.
- 1.8 Bank statements will be reconciled monthly with the cashbook and checked by the Internal Audit Control Officer at least quarterly. 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, 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 will be provided to the 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 The Contract of Employment and salary of the Clerk, or any other employee, will be reviewed annually.

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 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 £300 without 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 will be initialled by those two councillors.
- 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 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.
- 3.7 Appointment of Independent Internal Auditor will be reviewed following the conclusion of the internal audit.
- 3.8 Council will obtain employment references covering the previous three years for all new employees. Where employment references are not available, having established an acceptable reason why, character references must be sought.
- 3.9 No petty cash to be kept. Clerk to claim expenses at each Parish Council meeting.

Insurance**Risk: 4. Under-insurance of Parish Council assets****Procedures to address risk:**

- 4.1 Insurance cover will be reviewed annually in May of each year to ensure adequate cover is maintained
- 4.2 Fidelity insurance is 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 annually.

Public Liability

Risk 5. Liability to Public to Provide a Duty of Care

Procedures to address risk:

- 5.1 All assets owned by the Parish Council and listed in the Asset Register will be checked annually to monitor and identify risks to health and safety of the public using these items.
- 5.2 Risk Assessments for all other areas of the Council's business will 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 A Contract of Employment will be issued to a new employee within 2 months of commencement of employment.
- 6.2 The job description of the employee will be reviewed at the employee's annual appraisal.
- 6.3 The appraisal will be carried out annually on or around the anniversary of appointment by the Staffing Committee and agreed targets reported to the Council at the next council meeting.
- 6.4 Matters relating to employees to be discussed in confidence (public and press to leave the room as well as the employee) and recommendations to full council minuted at a meeting of the Staffing Committee.
- 6.5 Appropriate training to be provided for all identified training needs necessary to carry out the 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 the 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 the employee can carry out the role effectively and safely.

Approved 22nd March 2018.