

## Newbold Verdon Parish Council Financial Risk Assessment Policy

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  Precept not paid by Borough Council	L  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. The public are then notified of this via a meeting Agenda and invited to attend the next full Council meeting, at which Council agree the Precept amount. The Clerk then submits the Precept form to Hinckley & Bosworth Borough Council for processing and subsequent payment. The Clerk/RFO checks the bank account in April and again in September, to ensure the half yearly precept payments have been made. If a payment has not been made, the Clerk contacts HBBC to resolve the issue.	The procedures in place are adequate and are reviewed annually.
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 annually by the Clerk/RFO and Council and adopted at the Annual Parish Council Meeting.	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 annually by the Clerk/RFO and Council and adopted at the Annual Parish Council Meeting.	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 for authorisation. All banking records are examined and authorised quarterly by the Internal Control Councillor and noted by Council. All expenditure and income are reviewed by the Resources Committee and also set out on the monthly meeting Agendas before being approved by Council at Parish Council Meetings and minuted as such. All cheques are signed by 2 Councillors with stubs initialled also. Blank cheques are never authorised and if a mistake is made, the cheque is automatically cancelled. It is then stapled to the back of the Cancelled Cheque Record, which states the details of the cheque and why it was cancelled. The Council is also covered by a Fidelity Guarantee of £250k within the annual insurance policy.	Current procedure adequate. Current procedure and insurance adequate.

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Electronic Payments (BACS)	<p>Incorrect electronic payment or amount made</p> <p>No monitor on actual electronic entry</p> <p>Payments made without Council approval</p>	<p>L</p> <p>M</p> <p>M</p>	<p>All BACS payments are approved by 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 and payment ratified at the next available council meeting. If an incorrect BACS amount is paid, it is easily rectified given that BACS payments are only made to regular well known suppliers and local bodies. The online banking process also allows the Clerk/RFO two checks of what has been input, before the BACS payment is confirmed and subsequently paid. As the details of the regular supplier/local body are already loaded into the system and do not require inputting each time a payment is made, it ensures payment is made to the correct bank account.</p> <p>The Clerk/RFO prints off the transaction confirmation report and attaches it to the corresponding invoice for audit purposes.</p>	Reviewed Annually
Financial Records	Inadequate Records	L	<p>The Clerk/RFO enters all expenditure, income and VAT onto the financial software package AdvantEDGE. Reports are then created and circulated to council monthly, quarterly and annually. All electronic files are saved to the laptop and are backed-up weekly via OneDrive and an external source via Astley Computers. All files are reviewed by the Resources Committee, Chairman, full Council and also the Internal Control Councillor when necessary. The Internal Auditor also reviews these files annually, before they are submitted to the external auditor PKF Littlejohn.</p>	Reviewed Annually
Deposit/Reserves Account	Loss of funds	L	<p>The account is reviewed regularly and reconciliations are completed for authorisation by the Parish Council Internal Control Councillor. Investment of Council funds will be in accordance with the Investment Strategy/Policy which is currently being created.</p>	Reviewed Annually
Grants Awarded to Council	Not receiving grant funding when successfully applied for	L	<p>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 the individual local authority and/or organisation if they are not.</p>	Reviewed Annually
Grants Awarded by Council	Not following the grant claims procedure Grant Payments	<p>L</p> <p>L</p>	<p>The Clerk/RFO ensures the Grants Policy is adhered to and that all qualifying organisations are notified of the claim 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.</p>	Reviewed Annually

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Cash	Loss through theft and dishonesty	L	No petty cash is held by the Clerk/RFO. If cash is received as payment for hiring the sports facilities, it is banked immediately. This is also backed up with an invoice created and issued to the hirer.	Reviewed Annually
Borrowing	Ability to repay loans	L	The Clerk/RFO ensures that appropriate cash-flow forecasting is completed, including completing affordability check calculations. A report is presented to Council by the Clerk/RFO 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
Best Value	Charges made on the Parish Council are too high	L	The Clerk/RFO should obtain at least 3 estimates/quotations for any work undertaken by contractors on behalf of the Parish Council and for any major expenditure, as set out in the Financial Regulations. All estimates/quotations are then to be agreed and approved by full Council and minuted accordingly.	Current procedure is adequate
Financial Reporting	Insufficient information	L	The Parish Council appoints an Internal Controller annually to review and authorise all financial records. All income and expenditure are presented at Parish Council meetings via monthly reports and the meeting agendas, along with the balances of all Parish Council bank accounts. Each quarter, the Clerk/RFO circulates to Council a financial report outlining income and expenditure against budget, prior to the next full Parish Council meeting. All income and expenditure are also entered on to the online cashbook against the correct department/area of the budget. The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook accordingly and that all accounts are available for public inspection.	Current procedure is adequate. The cashbook (budget) is reported on quarterly and reviewed by full council.
Invoices	Goods not supplied but billed  Incorrect Invoicing  Unpaid Invoices	L  L  L	All invoices are only paid after the service or goods have been received to the Council's satisfaction, and only after full Council have approved them. All requests/orders for goods and services are confirmed in writing by the Clerk/RFO via a Purchase Order system. The Clerk/RFO checks all invoices received for accuracy and ensures all information is entered into the cashbook correctly. The Clerk/RFO examines the bank account against the invoices raised and makes contact with customers who remain unpaid.	Current procedure is adequate. The cashbook and budget are regularly reviewed by the Clerk/RFO.

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Insurance	Inadequate Cover  Fidelity Guarantee  Public Liability  Personal Accident  Cost	L  L  L  L	An annual review is undertaken prior to the renewal of the insurance policy. Third party risk is included within the cover, with current liability set at £10m. The amount is reviewed annually 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.  The play equipment at the recreational ground is regularly inspected and annually by an External ROSPA Inspector.  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. Three quotations are obtained when it is time to renew insurance cover and are presented to Council for it to decide which to accept.	Due to the insurance being reviewed annually and cover updated with any capital items as and when required, the current procedure in place is adequate. Quotations will be obtained annually and in cases where a longer term agreement is in place, a review of adequacy will still take to ensure adequate cover is in place.
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 statements including the Annual Governance and Accountability Return for the Internal Auditor to inspect. Once the accounts have been returned and any recommendations reported on and observed, Council then agrees for the Clerk/RFO and Chairman to approve them. All audit papers are then submitted to the External Auditor for review and authorisation. The Clerk ensures the annual audit Exercise of Public Rights and Conclusion of Audit notices are displayed on the Council 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.
Freedom of Information Act	Non-compliance with the Model Publication Scheme	L	Information and documentation is made available on the Parish Council website, in order to comply with the Model Publication Scheme. All FOI's are dealt with in accordance with the Model Publication Scheme.	Reviewed annually, therefore current procedure is adequate.
Salaries	Salary and expenses paid incorrectly    Incorrect NI & Tax deductions and Pension contributions	L	The Parish Council only employs two people; the Clerk and Caretaker. The Clerk presents their wage, expenses and any extras such as pension contributions, monthly, via the meeting Agendas. Full Council approves all presented figures at the monthly meetings, which is recorded in the minutes. To ensure accuracy of salary and tax/NI payments/contributions, a payroll company is employed to undertake all payroll and pension duties/tasks.	Current procedures are adequate.

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Data Protection	Non-compliance with Data Protection Legislation	L	The Parish Council is registered with ICO the UK Data Protection Agency and is governed by their rules. Newbold Verdon Parish Council have also adopted various policies and procedures concerning the 2018 General Data Protection Regulations.	Reviewed annually, therefore current procedure is adequate
Physical Assets	Loss or damage Risk/damage to third party 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 Clerk/RFO is to ensure that all rent income and expenditure, is paid in a timely manner and recorded within the budget/cashbook ledger. Reserves are considered by Council annually at budget setting in November/December and minuted.	The Asset Register is updated when necessary with a full review conducted annually. All rent payments and income are reviewed annually. Reviewed annually.
Financial Assets	Land Rent not paid or rent income received	L		
	Adequacy of Reserves	L		

Signed by the Clerk/RFO:  \_\_\_\_\_ Josie Flavell