

## CUTCOMBE PARISH COUNCIL FINANCIAL RISK ASSESSMENT

Adopted 18<sup>th</sup> July 2023

Minute Item 23/81 i)

TO ENSURE THERE IS NO POTENTIAL NON-COMPLIANCE WITH LAWS, REGULATIONS AND CODES OF PRACTICE

### 1. Internal Audit

The internal auditor to visit at least annually to ensure that the various accounting procedures are being adhered to. Following the visit, the Responsible Financial Officer must advise the council of the outcome.

*Reason: To reduce risk of embezzlement, fraud etc.*

### 2. Internal Control

The Finance and Risk Working Group (FRWG) to inspect the accounts quarterly to ensure the various accounting procedures are being adhered to. Following this inspection, the FRWG should report to the full council.

*Reason: To reduce risk of embezzlement, fraud etc.*

### 3. Standing Orders and Financial Regulations

The full council to review Standing Orders and Financial Regulations annually to ensure they remain relevant to the work of the council.

*Reason: To ensure still relevant and sufficient safeguards in place.*

### 4. Expenditure and Payments

The Clerk & RFO, following resolution of the council, should authorise supply of goods and services and competitive prices be sought in accordance with the Financial Regulations. Before payment of invoice is made the Clerk & RFO should check all invoices to ensure the figures are correct, and invoices are properly addressed to the Parish Council.

Cheque Payments – Two councillors must sign all cheques and they must initial the counterfoil.

BACS/CHAPS Payments – As per Financial Regulations 6.9 payment for items may be made by BACS or CHAPS methods provided that the approval for each payment is approved by two councillors signing the invoice/payment and payments are reported to the council as made. The approval of the use of BACS/CHAPS shall be renewed by resolution of the council at least every two years.

Where it is necessary to make a payment before it has been authorised by the Council, such payment shall be certified as to its correctness and urgency by the RFO. Such payment shall be authorised by the committee, if any, having charge of the business to which it relates, or by the RFO for payment with the approval of the Chairman or Vice-Chairman of the council as per the financial regulations point 4.1 "Budgetary Control and Authority to Spend". All payments made in this way shall be separately included in the next schedule of payments before the Council.

Expenditure under Local Government Act 1972, S.137 must be recorded in a separate column in the cash book and the use of this power should be recorded in the minutes.

*Reason: To ensure public money is not being misused*

## **5. Insurance**

Ensure that all purchases of new equipment are referred to the insurers to obtain cover for these items.

The Council or the relevant committee shall review insurances annually to ensure that the sums insured are adequate, especially public liability.

Certificates of insurance to be kept for 40 years.

*Reason: in case Public Liability Claims are made and to comply with the law*

## **6. Budget Procedures**

Ensure adoption of a budget each year in order that the council may set its precept, and this should be properly minuted.

The FRWG to monitor the expenditure against budget quarterly and report back to the council.

Any items of expenditure not within the original budget should be referred to the FRWG who should decide from where these monies should be taken.

*Reason: To ensure sufficient budgetary controls.*

## **7. Income**

Income and expenditure are reviewed and agreed monthly at council meetings in the schedule of payments.

Toilet Donations are collected by the RFO and ideally counted and banked on the same day but where this is not possible, they are placed in a safe locked cash box until banked. The amount is included in the schedule of payments at council meetings.

*Reason: To ensure money is not stolen*

## **8. Salaries & Wages**

All payments of employees' salaries should be authorised during the budget process and all necessary PAYE and NIC deductions taken and conveyed to HMRC.

*Reason: Otherwise the council could be liable to payment of such tax not deducted*

**9. Asset Register**

The asset register should be reviewed annually with details of acquisitions and disposals.

*Reason: To ensure the council is fully aware of their financial position.*

**10. Annual Statement**

Year-end accounts to be prepared by the RFO annually for the audit. These are checked by an internal audit process and then agreed and minuted at council meetings.

*Reason: To comply with the law*

**11. V.A.T.**

All incoming invoices should be checked to ensure that the correct VAT has been charged. VAT claims for repayment should be made at least annually.

*Reason: To ensure monies due to the council are reclaimed regularly*

**12. Snowdrop Valley**

The money received each day for Snowdrop Valley is counted, marked down, and placed in the safe of the Rest and Be Thankful each evening where it stays until the final count of the event or until it reaches the maximum amount that can be stored for insurance purposes.

All monies raised by Snowdrop Valley are counted with three people present. Once counted money is placed in a locked cash box and the RFO deposits into the bank as soon as possible.

*Reason: to ensure money is not stolen.*