STEYNING PARISH COUNCIL FINANCIAL RISK ASSESSMENT

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 in order 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.

(a) Ensure the cash book is up to date, look at chequebook to see the number of the last cheque drawn, and there are no pre-signed blank cheques.

(b) Ensure the cash book is totalled and balanced. Test arithmetic. Check balancing to coincide with bank statements.

(c) Inspect reconciliation and test arithmetic. Check whether all unpresented cheques are cleared from the previous reconciliation.

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

2. Internal Control

The Chair of F&GP and another non cheque signatory, are appointed to be the Councillor's responsible for Internal Control and inspect the accounts quarterly to ensure that the various accounting procedures are being adhered to. Following his inspection, he should report to the Finance & Community Committee. Areas to be checked include:

- Agreeing the reconciliation of the cash books balance with the bank accounts and ensuring that the accounts are reconciled regularly.
- Counting petty cash held in the office.
- Checking the validity of payments
- Testing a sample of credits received for validity and proper processing,
- Checking vat payments and claims
- Agreeing employers' returns to HMRC

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

3. Standing Orders and Financial Regulations

To review Standing Orders and Financial Regulations annually in order to ensure that they remain relevant to the work of the Council. – This is completed annually at SPC Full Council and is minuted

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

4. Expenditure and Payments

The Clerk, following resolution of the Council, should authorise supply of goods and services and competitive prices to be sought in accordance with the Financial Regulations.
Before payment of invoices is made all invoices should be checked to ensure that 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. All cheques need Council approval or as per Standing Order.

OR

Bacs / Chaps Payments
AS per SPC Financial regulations 7.10
If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by the RFO or Deputy Clerk and one authorised bank signatory are retained, and any payments are reported to council as made. The approval of the use of BACS or 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 Responsible Financial Officer. Such payment shall be authorised by the committee, if any, having charge of the business to which it relates, or by the Proper Officer for payment with the approval of the Chairman or Vice-Chairman of the Council as per SPC financial regulations point 5.15,' Budgetary control and authority to spend'.

All payments ratified under Standing Order 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.

Where possible Petty Cash should not be used, but if it is required the Clerk should control the Petty Cash system and up to the sum of £100.00 per month is allowable. An additional £100.00 may be had during a month in consultation with the Chairman or in his absence, the Vice-Chairman.

All these processes are undertaken at SPC overseen by the SPC RFO.

Reason: To ensure public money not being misused.

5. Insurance

Ensure that all purchases of new equipment are referred to the insurers in order to obtain cover for these items.
The Council or the relevant Committee shall review insurances annually to ensure that the sums insured are index linked where appropriate and 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.

The following table attempts to identify the risks involved and recommends the necessary actions. The list is not exhaustive, and the Parish Council may consider other risks.

Service Area	Risk	Recommendation
Insurance	Public Liability (statutory)	Continue existing cover (£10m)
	Employer's Liability (statutory)	Continue existing cover (£10M)
	Money and assault	Continue with existing cover (£1,000)*
	Fidelity Guarantee	Continue with existing cover (£500K)*
Insurance cont'd	Property	Continue with existing cover on buildings, contents, street furniture etc.
	Revenue protection: Business interruption On gross revenue Increased cost of working	 Existing cover (£1M)* Existing cover (£90K)* Existing cover (£10K)*
	Officials Indemnity	Continue with existing cover (£500K)*
	Libel and Slander	Continue with existing cover (250K)*
	Personal Accident	Existing cover (£50K)*

Payroll	Loss of data on PC due to system fault.	Data is backed up regularly to the Microsoft cloud.
	Loss of services of employee.	Immediately advertise any vacancy (if permanent loss) and request help from remaining employees to cover temporary loss.
Administration	Payment arrangements	Continue with requirement to report all payments to Council for approval. Continue with requirement for signatories to initial cheque stubs or Bacs payments.
	Reconciliation	Continue with bank reconciliation to be carried out on the receipt of each statement.
	Agency advice	Continue with memberships of SALC and SLCC.
Allotments	Increase in net expenditure.	Review allotment rents annually.
Open Spaces and Play Areas	Loss of use of play equipment.	Continue with regular maintenance and safety checks and take unsafe equipment out of service until repairs carried out.
Precept / Council Tax Benefit Grant	Annual precept not the result of proper detailed consideration.	Continue to present budget to every F&C Committee meeting.
	Inadequate monitoring of performance.	Continue to regularly consider budget monitoring report (monthly).
	Illegal expenditure.	Continue to ensure that all expenditure is within legal powers.
	Reduction in income	Budget in anticipation.
Accounting	Non-standard and/or non-compliant records kept.	Continue to require adequate, complete and statutory financial records and accounts
	Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns.	Continue to ensure that all accounts and returns are completed and submitted by the deadlines.
	Non-compliance with internal audit requirements.	Appoint internal auditor and continue practice of appointing internal audit committee.
Contracts	Ensure continued value for money coupled with continuity of work.	Approve the practice of seeking tenders for grounds maintenance every three years by advertising in local press and issuing specifications and tender documents to contractors expressing an interest. Tenders to be opened by the Chairman and Clerk and reported to next available Council meeting.

**** - These recommended cover amounts noted in the table above are indeed covered by the 2025 SPC insurance policy and in many cases the cover far exceeds minimum recommended levels as befits the need***

All elements noted as recommended actions in the table above are undertaken routinely by SPC.
{In 2020/21 an exception has been the review of Allotment rents}

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. - A budget preparedness schedule is agreed annually at SPC.
To monitor the expenditure against budget by Committees and Council. – Completed monthly at SPC
Any items of expenditure not within the original Budget should be referred to the Finance Committee who should decide from where these monies would be taken. – Undertaken at F&GP committee

Reason: To ensure sufficient budgetary controls.

7. Income

Review charges annually. Ensure that all charges are made for services provided. Cash and cheques received should be given a written receipt and placed in a safe place until banked. The reason for this is to ensure that all monies are properly banked. These payments should be entered into the receipts and payments book and monthly checked with the bank statement. All cash on the premises should be adequately secured. - Income and expenditure is reviewed and agreed monthly at SPC. Income is secured in locked cabinet and regular biweekly trips to post office bank the small amount of cash income.

Reason: To ensure money is not stolen.

8. Salaries and Wages

All payments of employees' salaries should be authorized during the Budget process and all necessary PAYE, and NIC, deductions taken and conveyed to HMRC, including the annual return. No payment to staff should be made without the deduction of Tax without the agreement of HMRC. - This is completed by the SPC Office and signed off by an SPC signatory

Reason: Otherwise, the Council could be liable for payment of such Tax not deducted.

9. Asset / Land Registers

The Asset register should be written up at least annually with details of acquisitions and disposals. The Land register should be reviewed annually. – These are checked and agreed by SPC annually

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

10. Annual Statement

Year-end accounts to be prepared annually for audit. - These are checked and agreed by internal and external audit processes at SPC 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, and are in fact completed quarterly through HMRC's digital VAT system by the SPC RFO

Reason: To ensure monies due to the Council are reclaimed regularly.