

Penketh Parish Council - Financial Risk Assessment

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 |
|----------------------------|---|----------------------------|---|---|
| Electronic Payments (BACS) | Payments made without Council approval Incorrect electronic payment or amount made / No monitor on actual electronic entry | L M | All BACS payments are approved by Council at each meeting and signed by two councillors If a payment needs to be made outside of the meeting, then approval is to be sought from the Chairman, with the decision and payment ratified at the next available council meeting via the monthly Ratification Statement. Council is looking to use the Cooperative Banks's online "Approver" facility, which automatically requires that payments made from the account must be authorised by a second approver before being released to the payee. The inputter and the approver can then both check the Monthly expenditure sheet on Sharepoint. | Payments currently made by the acting Clerk, Check by the RFO and the Vice Chairman is the only Debit Card Holder - All previous signatories have been removed. MP |
| Financial/Account Records | Inadequate Records | L | The Clerk/RFO maintains a cashbook listing all income and expenditure. The Clerk/RFO compiles all paperwork relating to monthly income and expenditure in hard copy. Electronic files are saved to Office 365 and are automatically backed-up to the cloud. All files are reviewed by the Chairman and Internal Controller annually and also assessed by the NALC Internal Auditor annually before being submitted for external audit. | Reviewed annually. Currently migrating to Rialtas Software MP |
| Investment Account/Income | Loss of funds | L | The account is reviewed regularly and reconciliations are completed for authorisation by the Parish Council Internal Controller. No Investments are currently undertaken but the council will review and consult on a relevant Investment policy as required. | Review annually. Reconciliations take place in Mthly Cashbook and now in Rialtas MP |
| Grants Awarded to Council | Not receiving grant funding when successfully applied for | L | The Clerk/RFO is to ensure that all grant payments are made to the 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. | All reviewed annually. |
| Grants Awarded by Council | Not following the grant claims procedure Grant Payments | L L | 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 also ensures there is a power to pay such grants before presenting the grant application to Council for approval. 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. | All reviewed annually. Rialtas code built to support audit purposes MP |

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| Cash | Loss through theft and dishonesty | L | No petty cash is held by the Clerk/RFO or Council members. Any sundry items are to be purchased using the Council Debit Card as per procedure outlined in the Financial Regulations, or by the Clerk/RFO personally and claimed back via expenses against receipts held. | N/A Current procedure adequate. Reviewed annually. |
| Debit Card | Incorrect use | M | Use of the Debit Card is restricted to use by the Vice Chairman, and monitored by the Acting Clerk and RFO. (until a clerk is recruited) Records of use are included in the cashbook and invoice folder, including all receipts. All debit card purchases are added to the monthly Agenda under Accounts, for review and approval by Council. | Reviewed annually or as necessary. MP |
| Borrowing | Ability to repay any loans | L | The Clerk/RFO ensures that appropriate cash-flow forecasting is completed as and when required, and annually, the Clerk/RFO completes 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 2 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 agreed and approved by full Council and minuted accordingly. | Current procedure is adequate. |
| Financial Reporting | Insufficient information | M | 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 on the meeting Agenda, along with the balances of all Parish Council bank accounts. Each quarter, the Clerk/RFO circulates a Financial Report to Council, outlining income and expenditure against budget and highlighting main points in a commentary. All income and expenditure are also entered into the cashbook against the correct cost code, stating the minute reference. The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook. All accounts are available for public inspection. | Current procedure was inadequate. The cashbook (budget) will be reported on quarterly and reviewed by full council with the introduction of Rialtas - MP |

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| Data Protection | Non-compliance with Data Protection Legislation | L | Penketh Parish Council is registered with ICO the UK Data Protection Agency and is governed by their rules. Penketh Parish Council have also adopted various policies and procedures concerning the 2018 General Data Protection Regulations | Reviewed annually, therefore current procedure is adequate. Service is renewed annually. MP |
| Insurance | Inadequate Cover Fidelity Guarantee Public Liability Personal Accident Cost | L 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. YLL-272004-3923 The amount is reviewed annually 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 Playing Fields is regularly inspected by the Playing Field Committee and annually by an External ROSPA Inspector. All Council members, employees and/or volunteers 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. The most recent review concluded that a Year Long Term Agreement was the best option. | 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, in March. In cases where a longer term agreement is in place, a review of adequacy will still take place annually, however quotations will not be obtained until the last year of the agreement, in March. |
| 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 Asset Register is updated when necessary with a full review conducted annually. |
| Financial Assets | Land Rent not paid or rent income received Adequacy of Reserves | L L | The Clerk/RFO is to ensure that all rent income and expenditure, is paid in a timely manner and recorded within the budget. Considered by Council annually at budget setting in November/December and minuted. | All rent payments and income are reviewed annually. Reviewed annually. Delayed due to Rialtas Implementation - MP |

Signed by the Clerk/RFO:.....

Reviewed and Adopted at the Parish Council Meeting on: TBC