

WINTERBORNE FARRINGDON PARISH COUNCIL

FINANCIAL RISK ASSESSMENT

AREA: Finance

NAME OF RESPONSIBLE COMMITTEE: Full council

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RATIFIED BY: Full council

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VERSION CONTROL: N1

ADDED TO WEBSITE:

Identified risk: accounting errors due to lack of financial control

Controls to address risk:

1. A Responsible Financial Officer (normally the clerk) will be appointed by the Council. The RFO's role is defined by the council's standing orders.
2. All financial documentation will be held by the Responsible Financial Officer, e.g. cheque books, paying in books, invoices, receipts, bank statements, VAT reclaim papers, electronic receipts and payments accounting system.
3. Back-up of computerised accounting systems will be undertaken on a regular basis.
4. Cheques will be written and entered on the accounting system.
5. Cheques require two signatories; a note of the signatories for each cheque will be kept by the Responsible Financial Officer.
6. Cross-referencing between payments and cheque numbers will be made on the accounting system.
7. Where made, electronic payments shall also require two signatories, and all controls for payments by cheque shall also apply to electronic payments.
8. Payments will be recorded as minuted items.
9. Cash and cheques will be entered on the accounting system upon receipt and banked by the Responsible Financial Officer as soon as reasonably practicable.
10. Bank statements will be reconciled with the accounting system. Payments will be cross-referenced against cheques issued.
11. VAT will be reclaimed when the amount due reaches £100, or annually in April, whichever is sooner.
12. A receipt will be issued for all monies received by the Council, except items received through Bacs.
13. A person independent of the council will inspect the accounts on a regular basis.
14. Appropriate training will be provided for the Responsible Financial Officer as and when required.

Identified risk: budget overspend

Controls to address risk:

1. A budget meeting shall be held annually in November to determine the budget for the following financial year and to determine the precept to be applied for. Dorset Council will be notified by the Responsible Financial Officer of the precept requirement in due course and ahead of any deadline set.
2. A transaction report shall be produced from the accounting system for the inspection of the council at each meeting.
3. The salary of the Responsible Financial Officer or any other employee shall be reviewed annually at the Budget meeting in November.
4. The Responsible Financial Officer shall update the council regularly on the council's payroll and PAYE commitments.

Identified risk: loss of funds due to misappropriation of public money

Controls to address risk:

1. No expenditure shall be incurred by any member of the parish council without the prior approval of a properly constituted parish council meeting.
2. All invoices shall be paid on the authority of the parish council at a properly constituted parish council meeting, unless delay would involve financial penalties or the expenditure relates to addressing an urgent health and safety risk. On this basis payment shall be authorised by the Chairman or in their absence two councillors as per financial regulation (2002) 5.
3. The Responsible Financial Officer shall not make purchases of individual items in excess of £50 without the prior (minuted) authority of the council or, in the case of urgent purchases, without the authority of the Chairman or in their absence two councillors as per financial regulation (2002) 5.
4. All payments, whether by cheque or electronic means, shall be approved and signed by two councillors authorised by bank mandate, and the Responsible Financial Officer shall keep a record of signatories.
5. All councillors shall ensure their entry on Dorset Council's register of interests is up to date at all times, as required by the Localism Act 2011. Where a councillor becomes aware of a change to their interests they shall notify the Clerk who shall provide them with a link to update their registration.
6. Year end accounts will be prepared by the Responsible Financial Officer for circulation to the parish council following the financial year end on 31st March for inspection at the subsequent May or August meeting.
7. A person independent of the council will inspect the accounts on a regular basis.

8. The parish council shall obtain employment references for all new employees. Where employment references are not available, and having established an acceptable reason why, character references must be sought.
9. The value of any petty cash held shall not exceed £20.00.

Identified Risk: under-insurance of parish council assets

Controls to address risk:

1. Insurance cover will be reviewed annually in May or otherwise at policy renewal to ensure adequate cover is maintained.
2. Assets held by the council will be recorded by the clerk in an asset register kept for the purpose.
3. Any computer equipment owned or issued by the council will be insured to cover use anywhere in the UK.