

# Eardisland 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.

| <b>Subject</b>        | <b>Risk(s) Identified</b>                                                     | <b>High, Medium or Low</b> | <b>Management/Control of Risk</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Review/Assess/Revise</b>                                        |
|-----------------------|-------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Precept               | Inadequate Precept<br><br>Precept not paid by Local Authority                 | L<br><br>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, then presents this to Councillors to enable Council 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 How Caple, Sollers hope and Yatton Parish Council for processing and payment.<br><br>The Clerk/RFO checks the bank account in April and again in September, to ensure the half yearly precept payments have been made by BDC. | 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 NPTS, 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 Standing Orders as set out by NPTS, 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.       |

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|------------------------|-----------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Bank Records & Banking | Banking / Financial Errors        | L | All items of income and expenditure are cross-referenced against the bank statements and a reconciliation report created. Records are presented regularly to Council.                                                                                                                                                                                                                                                                                                                                                                                                    | Current procedure adequate.               |
|                        | Loss through theft and dishonesty | L | All expenditure and income are included on meeting Agendas before being approved by Council at Parish Council Meetings and minuted as such. All cheques are to be signed by 2 Councillors with stubs initialled also. Blank cheques are never authorised and if a mistake is made on a cheque, it is automatically cancelled, and a line put through it. It is then stapled to the relevant cheque book stub which states the details of the cheque and why it was cancelled. The Council is also covered by a Fidelity Guarantee of within the annual insurance policy. | Current procedure and insurance adequate. |

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| Electronic Payments (BACS) | Payments made without Council approval                                              | L                   | All BACS payments are approved by Council prior to the payment being made where possible.<br>If a payment needs to be made outside of the meeting, then approval is to be agreed with the Chairman, with the decision and payment ratified at the next available council meeting via the monthly Ratification Statement.                        | Reviewed annually.   |
|                            | Incorrect electronic payment or amount made / No monitor on actual electronic entry | M                   | Council uses Lloyds app-based "Approver" facility, which automatically requires that payments made from the account must be authorised by two signatories before being released to the payee. Those authorising check the payment to ensure that it matches the approval list from the meeting or the invoice presented by the Clerk via email. |                      |

## How Caple, Sollers hope and Yatton Parish Council Financial Risk Assessment

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| Financial/Account Records | Inadequate Records                                        | L | The Clerk/RFO maintains an electronic cashbook listing all income and expenditure. There is an internal auditor appointed annually to produce a report to Council prior to external audit. Electronic files are saved to the laptop and are backed up to Dropbox.           | Reviewed annually.     |
| Investment Account/Income | Loss of funds                                             | L | The account is reviewed regularly and reconciliations are completed for authorisation by the Parish Council.<br>Council reviews the investment policy at each year end.                                                                                                     | Review annually.       |
| 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 | Grant Payments                                            | L | 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. | All reviewed annually. |

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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 by the Clerk/RFO either personally and claimed back via expenses against receipts Held, or via the debit card. Cash and receipts from parish events are handed to the Parish Clerk or a Councillor and banked upon receipt and the banking slip handed to the Clerk for the accounts. Any receipts made by personal cards must not be used for a VAT reclaim. | N/A<br>Current procedure adequate.<br>Reviewed annually. |

## Eardisland Parish Council Financial Risk Assessment

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|                     |                                                 |   | A pre-paid bank card be purchased for the Clerk to use for purchases of a value up to £150 max with the prior agreement of the Chairman of the Parish Council                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                  |
| 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 3 estimates/quotations wherever possible 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                        | L | All income and expenditure are presented at Parish Council meetings on the meeting Agenda, along with the balances of all Parish Council bank accounts.<br>Each quarter, the Clerk/RFO circulates a Financial Report to Council, outlining income and expenditure against budget and highlighting main points in a commentary.<br>All income and expenditure are also entered into the cashbook against the correct cost area.<br>The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook.<br>All accounts are available for public inspection. | Current procedure is adequate. The cashbook (budget) is reported on quarterly and reviewed by full council.      |

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## How Caple, Sollers hope and Yatton Parish Council Financial Risk Assessment

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| Audits                     | Annual Audit is not completed within the set deadline<br><br>Annual Audit is not advertised         | L<br><br>L          | The Clerk/RFO prepares the year end accounts statement and Annual Governance and Accountability Return for the Internal Auditor to review in April. Once the accounts have been returned and any recommendations reported on and observed, Council then approves them at the annual meeting in May, along with all audit papers and the Annual Governance and Accountability Return. These are then submitted to the External Auditor for review. The Clerk ensures the annual audit and conclusion of audit notices are displayed on the Council notice board and website for the public to view, for the prescribed period of time. | Current procedure adequate.                                                                                            |
| Invoices                   | Goods not supplied but billed<br><br>Incorrect Invoicing                                            | L<br><br>L<br><br>L | Invoices are only paid after the service or goods have been received to the Council' satisfaction, and only after full Council have approved them.<br><br>All requests /orders for goods and services are confirmed in writing by the Clerk/RFO, to agree all costs involved.<br>The Clerk/RFO checks all invoices received for accuracy and ensures all information is entered into the Cashbook.                                                                                                                                                                                                                                    | Current procedure is adequate.<br>The Cashbook (budget) is reviewed annually by the Clerk/RFO and Internal Controller. |
| 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. Information is also publicised on the Parish noticeboards, with all FOI's dealt with in accordance with the Model Publication Scheme also.                                                                                                                                                                                                                                                                                                                                                       | Reviewed annually, therefore current procedure is adequate.                                                            |
| Salaries                   | Salary and expenses paid incorrectly<br><br>Incorrect NI & Tax deductions and Pension contributions | L<br><br>L          | >>>>>>> Parish Council only employs one person, the Clerk. The Clerk presents their wage, expenses and any extras such as stipend payments and pension contributions, monthly, via the meeting Agendas. Full Council approves all presented figures at the monthly meetings, which is recorded in the minutes.<br>The payroll is externally processed.                                                                                                                                                                                                                                                                                | Current procedures are adequate.                                                                                       |
| Data Protection            | Non-compliance with Data Protection Legislation                                                     | L                   | >>>>>>> Parish Council is registered with ICO the UK Data Protection Agency and is governed by their rules. >>>>>>> Parish Council have also adopted various policies and procedures concerning the 2018 General Data Protection Regulations.                                                                                                                                                                                                                                                                                                                                                                                         | Reviewed annually, therefore current procedure is adequate.<br><br>Service is renewed annually.                        |

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|------------------|--------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance        | Inadequate Cover                           | 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.                                                                       | 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. |
|                  | Fidelity Guarantee                         | L                   | The amount is reviewed annually to ensure insurance cover is sufficient for the Parish Council's needs.                                                                                                                               |                                                                                                                                                         |
|                  | Public Liability                           | L                   | The Parish Council maintains insurance cover in all areas.                                                                                                                                                                            |                                                                                                                                                         |
|                  | Personal Accident                          | L                   | 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. |                                                                                                                                                         |
|                  | Cost                                       | L                   | Quotations are obtained when it is time to renew insurance cover and are presented to Council for it to decide which to accept.                                                                                                       |                                                                                                                                                         |
| Physical Assets  | Loss or damage                             | M                   | 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.                                                                     |
|                  | Risk/damage to third party property        | L                   |                                                                                                                                                                                                                                       |                                                                                                                                                         |
| Financial Assets | Land Rent not paid or rent income received | L                   | The Clerk/RFO is to ensure that all rent income and expenditure, is paid in a timely manner and recorded within the budget.                                                                                                           | All rent payments and income are reviewed annually.                                                                                                     |
|                  | Adequacy of Reserves                       | L                   | Considered by Council annually at budget setting in November/December and minuted.                                                                                                                                                    | Reviewed annually.                                                                                                                                      |

# How Caple, Sollers hope and Yatton Parish Council Financial Risk Assessment

Reviewed and Adopted at the Parish Council Meeting on: to be adopted July 2026