

## Bidborough Parish Council – Financial Risk Assessment

Subject	Risk(s) Identified	High, Medium, or Low	Management/Control of Risk	Actions Required
Precept	Inadequate Precept	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 based on the Council's approved priorities and decisions. He then presents this to Council at a properly convened Meeting to enable the Council to make an informed decision. The Clerk then submits the Precept form to Tunbridge Wells Borough Council for processing and payment.	The procedures in place are adequate and are reviewed annually.
Financial Regulations	Failure to adopt Financial Regulations based on NALC model	L	Financial Regulations based on NALC model have been adopted by the Council. These are reviewed annually by the Clerk/RFO and Council.	Financial Regulations based on NALC model have been adopted by the Council. Currently being reviewed by Clerk/RFO.
Standing Orders	Failure to adopt Standing Orders based on NALC model	L	Standing Orders based on NALC model have been adopted by the Council. These are reviewed annually by the Clerk/RFO and Council.	Standing Orders based on NALC model have been adopted by the Council. Currently being reviewed by Clerk/RFO.
Payment System	Incorrect payments and potential of theft and fraudulent payments	M	<p>All payments, even those made between meetings which are made in accord with the Council's Financial Regulations or through a power delegated by the Council, are reported to the Council in a payment schedule. The Council approves the Payment Schedule and all payments that are made.</p> <p>Payments are made by Bank transfer and are made in accordance with the payment schedule. This is currently undertaken by a single Member of the Council with the Clerk ensuring, through checking the Bank Statements, that all payments are in accord with the payment schedule.</p> <p>On those occasions when a cheque is issued two members of the Council must sign every cheque. Signatories check each cheque against the relevant invoice, sign the invoice and initial the cheque counterfoil. All authorised cheque signatories are members of the Council.</p>	Current procedure not adequate and the Council has asked the Clerk/RFO to review the current payment system with a view to introducing a new system for payment including 2 persons with a further person involved by checking and reconciling the account during the financial year.

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Financial/Account Records	Inadequate Records	L	The Council has a Finance Software package which is reconciled to the Bank Statements on a monthly basis to ensure and that all funds are accounted for. The Clerk/RFO ensures that this system is kept up to date.	The software package requires monthly reconciliation.
Cash	Loss through theft and dishonesty	L	The Council holds no petty cash	N/A
Debit Card	Incorrect use	L	The Council has no Debit Card	N/A
Financial Reporting	Council and Clerk/RFO not provided with information to make informed decisions	L	<p>All payments are presented at Parish Council meetings at the appropriate item on the Agenda.</p> <p>Each quarter, the Clerk/RFO will circulate a Financial Report to Council, outlining all Council income and expenditure received during that period against the appropriate budget head.</p> <p>The Clerk/RFO ensures that all VAT returns are made in a timely manner but generally each quarter.</p>	The Council will receive quarterly reports on income and expenditure
Audits	Annual Audit is not completed within the set deadline. Annual Audit is not advertised	L	The Clerk/RFO prepares the year end accounts statement and Annual Governance and Accountability Return for the Internal Auditor to review. The AGAR is then submitted to the Council in time to be forwarded to the External Auditor before the deadline date at the end of June. The Clerk ensures the annual audit and conclusion of audit notices are displayed on the Council notice board and website at the prescribed time and for the agreed period of time.	The procedures in place are adequate

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Salaries	Salary and expenses paid incorrectly and/or there are incorrect NI & Tax deductions and pension contributions	L	<p>The Parish Council only employs one person, the Clerk. The Salary is set out in the agreed and signed Contract of Employment and all payments are made in accord with that contract. Any overtime to be worked is agreed with the Chairman of the Council</p> <p>To ensure accuracy of salary and tax/NI payments/ contributions, a payroll company is employed to undertake all payroll and pension duties/tasks.</p> <p>All salary payments and payments to HMRC are set out in the Payment Schedule.</p>	The procedures in place are adequate.
Physical Assets	Loss or damage.	M	An Asset Register is maintained to clearly identify all Council assets.	The Asset Register needs to be set up and maintained. The Register will need to be reviewed annually.
Financial Assets	All income including rental income not paid or 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 time.	Reviewed annually.

Reviewed and Adopted at the Parish Council Meeting on: