

# Shotley Parish Council

## Financial Risk Assessment 2023

### Potential areas of risk:

Budget	Inadequate budget to meet commitments	<b>Infrequent</b> - Appropriate budgeting process in place and reserves held for emergency
Reserves	Inadequate reserves to deal with emergencies	<b>Infrequent</b> - Good practice observed and formal policy adopted in 2022
Payments	Unauthorised expenditure	<b>Infrequent</b> - Members observe Standing Orders and Financial Regulations and take note of advice from the Proper Officer; No contracts for services/orders to be issued by anyone other than the Clerk/Rfo following full Council resolution.
Lawsuits	Compensation resulting from injury as a result of PC activity/action	<b>Medium</b> - Due process in place to investigate complaints and address any issues; reported to insurance in all cases
Delegation	Inadequate financial regulation of committee activity	<b>Infrequent</b> - Financial decisions to be made exclusively by full Council, unless delegated to a Committee and clearly stated on their Terms of Reference.
Personnel	Personnel issues	<b>Infrequent</b>

### Methods in place to minimise risk:

- a) Council operating in accordance with NALC Model Financial Regulations and Model Standing Orders.
- b) Full Council meetings held throughout the financial year (as well as Finance Working Group quarterly) to monitor budget, prepare precept, monitoring expenditure against budget, etc
- c) Accounts for payments and receipts approved/noted at each Council meeting
- d) Adherence to Financial Regulations and their relevance monitored regularly
- e) Insurance, investments, assets and liabilities monitored regularly
- f) Contracts and salaries (1, 2, 6 above) reviewed regularly
- g) Bank reconciliations/ bank statements reviewed monthly, quarterly and annually.
- h) Bank book stubs and invoices initialled by signatories.
- i) No cash payments made. No petty cash held.(See note attached to accounts for year ended 2022-2023)
- j) Payments listed in a document presented at each council meeting and attached to Minutes following approval
- k) Annual Allotment rent demands sent by Clerk to tenants
- l) Allotment payments monitored by Clerk/RFO and arrears chased where necessary
- m) Any other payments monitored by Clerk / RFO and arrears chased where necessary
- n) All monies received are paid in and noted on accounts (cheque/bank transfer/ warrant or cash)
- o) Cheques/cash received presented for payment within 7 days where possible.
- p) Standard Local Government Insurance for public liability £5,000,000 and personal accident cover for Clerk/Councillors when engaged on duties in connection with Parish Council business only £20,000;
- q) Fidelity Guarantee cover £300,000 (Increase upon receipt of Harwich ports income)

- r) Business interruption: date reinstatement cover to £1,000
- s) Committee's /working group's budgetary proposals provided to the Clerk ahead of the November Council meeting
- t) Matters raised by Internal Auditor noted and actioned (when needed) by the Council.

Policy reviewed and approved by Council: March 2023      To be reviewed: March 2024