

## BADGERS MOUNT PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – 4th October 2018

Risk Area	Risk implications	Control Procedures
Loss of Financial viability	<p>Bankruptcy of Parish Council.</p> <p>Loss of local services and employment.</p> <p>Failure of Councillors to exercise due care.</p>	<p><b>Overall Control</b></p> <p>The Council reviews and monitors all financial affairs of the Council at its monthly Council meetings</p> <p>The Council adopted its own Financial Regulations in 2015, and these will be reviewed by the Clerk (and Responsible Finance Officer) by the end of 2018.</p> <p><b>Budgetary Control</b></p> <p>A detailed annual budget is prepared by the Responsible Finance Officer (RFO), in consultation with the chair of the Council in October. This is then reviewed by the Council as to the budget for the year ahead and hence the required precept. The Council should consider this at its December meeting.at the latest. The Council review and if appropriate approve the budget and precept for the coming year. The RFO who is also the clerk, then submits the precept request to Sevenoaks District Council (SDC) by is January deadline.</p> <p>In accordance to the Financial Regulations, revenue expenditure may only be incurred up to the amounts included for that class of expenditure in the approved budget.</p>

		<p>Actual expenditure compared to budget is reviewed by the clerk and the Council every quarter, and follow up action taken as appropriate.</p> <p>An annual summary of actual expenditure compared to budget together with explanations for significant variances is presented to the Council for their review at the April or May Council meeting.</p> <p><b>Capital Projects</b></p> <p>Any potential capital expenditure is first considered by the Finance Committee and then must be approved by the Council before being occurred, in line with the Financial Regulations.</p> <p>The Financial Regulations set out detailed procedures which must be followed regarding capital expenditure, including the ordering process.</p>
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Fraud/Theft	<p>Monetary Loss to the Council</p> <p>Adverse Publicity resulting in loss of reputation</p>	<p><b>Bank and Cash</b></p> <p>The clerk/RFO keeps the cheque book and Parish Phone with Banking App. Cheques require two of the three Councillor signatories to sign. The signatories can only sign the cheque once the expenditure has been approved and are presented with the supporting documentation. The RFO is authorised by the Council to make online payments, once they have been agreed.</p> <p>All payments are approved by the Council in public meetings and recorded individually.</p> <p>The clerk/RFO prepares quarterly bank reconciliations. A quarterly internal audit is performed by the RFO covering:</p> <ul style="list-style-type: none"> <li>• Checking the quarterly bank reconciliation and supporting documentation</li> <li>• Checking the cashbook entries for the quarter</li> <li>• Detailed testing of the receipts/payments for the quarter</li> <li>• Once approved, the quarterly reconciliations are signed by the clerk and the chair of the Council, and recorded in the minutes.</li> </ul> <p>An annual examination is performed by the Council's independent Internal Auditor. The annual accounts are then subject to a desktop audit by a Government appointed external auditor.</p>

Risk Area	Risk Implications	Control Procedures
<p>Theft of Council Assets.</p> <p>Poorly maintained fixed assets resulting in public injury.</p> <p>Loss of Accounting information</p> <p>Accounting records.</p>	<p>Monetary loss to the Council.</p> <p>Failure to be able to prepare meaningful financial information.</p> <p>Failure to be able to prepare Annual Statement of Accounts in accordance with the regulations.</p>	<p><b>Fixed Assets</b></p> <p>An up to date register is maintained of all the Council's assets. At least once a year, a Councillor physically inspects all the Council's assets and compares them to the register.</p> <p>A regular maintenance and inspection programme is in place and is the responsibility of a specific Councillor.</p> <p>The Council's assets are insured at full replacement value and the Finance Committee review these values annually.</p> <p>Public Liability Insurance is maintained.</p> <p>The accounting records are maintained on the Parish's computer, And backed up on a memory stick and where possible on an external hard drive at an address remote from the Clerk.</p> <p>Hard copies are retained of the cashbook, bank reconciliations, budgets management accounts and Statements of Accounts.</p> <p>Also, other important documents and correspondence to create working files as necessary.</p>

Councillor John Grint– Chair of Council .....

Dated .....

**BADGERS MOUNT PARISH COUNCIL – GOVERNANCE RISK ASSESSMENT – 4<sup>th</sup> OCTOBER 2018**

<b>Risk Area</b>	<b>Risk Implications</b>	<b>Control Procedures</b>
Deemed inappropriate behaviour by an individual councillor	Loss of credibility of the Council as a whole	Individual Councillors are supplied with a copy of the model Code of Conduct for Parish and Town Council's and are expected to fully comply with it at all times. The Registers of Members' Pecuniary Interests (DPI's), gifts and hospitality are maintained by the clerk who ensures it is complete and up to date. The register is available for public inspection on the Parish Council's website. Councillors are required to notify the Clerk of any changes in DPI's within 28 days of them coming into effect. The clerk is responsible for updating the Register of Members DPI's and forwarding the same to SDC within the 28-day period. Failure for Councillors to comply with this is a criminal offence.
Deemed inappropriate behaviour by the Council	Council and Councillors open to accusations of misconduct.	<p>Council business is only conducted during Council meetings, which are open to the public. This also applies to formal committees which have delegated powers.. Sub-Committees meet occasionally to enable recommendations on complex matters to be formulated and put to the main Council for consideration. They have no decision-making powers and report back to the main Council.</p> <p>Council meetings are always held at locations with disability access.</p> <p>The clerk to the Council attends all meetings and is responsible for advising the Chairman on the running of the meeting thereby ensuring it meets all appropriate standards and requirements.</p>

<p>Failure to comply with all appropriate laws and Regulations.</p>	<p>Loss of professional reputation and/or fine for individual Councillor or the Council.</p>	<p>Full and accurate reporting of the Council's business in the minutes by the clerk.</p> <p>Minutes properly numbered and paginated with a master copy signed by the Chairman kept in safekeeping.</p> <p>Minutes circulated to interested parties and on public display (eg on website).</p> <p>Any complaint made about the Council or an individual Councillor is immediately referred to the SDC Compliance Officer.</p> <p>The clerk is familiar with the legal requirements applicable to Councils.</p> <p>The Council has access to independent legal advice specialising in Council matters.</p> <p>clerk's contract of employment is reviewed annually.</p> <p>Ensure requirements are met that all business activities are within legal powers applicable to the Council with powers used being recorded.</p> <p>Ensure proper use of Council funds under Section 137 of the Local Government Act 1972.</p> <p>Ensuring requirements are met to prepare annual Statement of Accounts which presents fairly the and financial position of the Council and its income and expenditure for the year.</p>
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<b>Risk Area</b>	<b>Risk Implications</b>	<b>Control procedures</b>
Administrative systems and records	Loss of Council reputation from the failure of the Council to be able to operate effectively.	<p>All Council's administrative systems kept on Parish Councils computer.</p> <p>Hard copies of all key documents are kept by the Clerk in line with the duty to keep records.</p> <p>The clerk conducts regular back-ups on a memory stick/external hard drive of all Council documents. This back up will be held at a remote location from the Clerk's Home Office address.</p> <p>The Council is fully complaint with the General Data Protection Regulations 2018.</p>

Councillor John Grint– Chair of the Parish Council.....

Dated .....