WASHINGTON PARISH COUNCIL

**Financial Risk Assessment May 2024**

***To ensure no potential non-compliance with laws, regulations and codes of practice.***

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| **Topic / Area** | **Risk Details** | **Control Measures** | **Comments** |
| **Internal Audit** | To reduce the risk of embezzlement, fraud etc. | The Internal Auditor currently visits annually to review the various accounting procedures including:* Agreeing the reconciliation of the cash book balance with the bank account and ensuring that the accounts are reconciled regularly.
* Checking the validity of payments
* Testing a sample of credits received for validity and proper processing,
* Checking vat payments and claims
* Agreeing employers’ returns to HMRC
* Checking for adequate insurance and risk management
* Reviewing the compilation of the budget and determination of precept.
* Checking the Asset Register
* Reviewing and agreeing entries in section 1 of the council’s annual audit return
* A nominated Councillor will carry out internal control tests on a quarterly basis
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| **External Audit** | To comply with the law.To account for public funds. | * Completion of end of year audit return
* Completing end of year financial processes and balancing accounts.
* Presenting end of year summary to the Parish Council for review
* Publishing end of year summary.
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| **Payments and Receipts** | To reduce the risk of embezzlement, fraud etc.To account for public funds. | * All payments presented to the council for approval at the Parish Council meeting and expenditure amount recorded in minutes
* Cheques, stubs and invoices to be signed by 2 councillors
* Bank Reconciliations presented at Parish Council meeting monthly and statement and reconciliation signed by two councillors
* S137 / Grant expenditure to be recorded separately
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| **Standing Orders and Financial Regulations** | To ensure compliance with the lawTo ensure still relevant and sufficient safeguards in place. | * Standing orders and Financial Regulations presented to the council for review annually.
* Amendments made as and when law changes.
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| **Insurance & Risk Management** | To protect public fundsTo protect assetsCompliance with the law | * Asset register kept up to date with any items purchase / disposed of to ensure sufficient cover
* Regular review of insurance cover by Parish Council
* Statutory cover in place ie. Public liability, Employers liability
* Annual risk assessments financial and non-financial completed and reviewed by Parish Council and Internal Auditor
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| **Budget Procedures** | To ensure sufficient budgetary controls | * Budget adopted by Full Council each year in order that the precept may be set.
* Regular reviews of budget and performance against budget at Committee and Full Council meetings.
* Any revised budgets recorded correctly.
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| **Salaries** | To ensure compliance with the lawTo ensure necessary NI and PAYE contributions are paid | * Staff salaries reviewed in line with budgeting process and agreed by Full Council.
* HMRC Basic Paye tools used to calculate correct NI and PAYE payments.
* Yearend employers’ returns completed in line with HMRC deadlines
* Salary cheques signed by 2 Councillors
* Expenses payments approved at monthly full council meetings and cheques signed by two councillors
* Clerks salary approved by full council
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| **Topic Area** | **Risk Details** | **Control Measures** | **Comments** |
| **VAT** | To ensure compliance with HMRC rulesTo ensure correct amounts are reclaimed | * All invoices for payment checked for correct level of VAT
* All VAT elements recorded separately on electronic finance system
* VAT returns completed at least annually and checked

by Internal Auditor. |  |

Adopted: **May 2015**

Last Reviewed and Agreed: **May 2024Minutes Reference: APCM/26/12**

Next Review: **May 2025**