

Pannal and Burn Bridge Parish Council

Financial Risk Assessment

The council has looked at the financial risks that it must deal with and resolved to adopt the following policy.

1. **Handling Cash**
The parish council does not handle cash. The only regular income is the Precept, annual VAT return and, on occasions, NYC Locality Budget which has a determined expenditure focus. All of these are paid directly into the parish council's bank account.
2. **Employer's liability**
The council employs a clerk and RFO. Its insurance policy with Zurich Municipal provides employer's liability cover.
3. **Public liability**
The council has public liability cover to £10 million under its policy with Zurich Municipal.
4. **Fidelity guarantee**
The council has fidelity guarantee cover to £250,000.
5. **Contracts and tendering**
The council has a standing order in place for contract, which is mandatory (see council's Standing Orders on business).
6. **Banking arrangements**
Three councillors are cheque signatories. Two councillor signatures are required by the bank and in law. Cheques (exceptionally used) are only signed at meetings of the council. The clerk also has access to telephone banking. She is the only person registered to use this service and it can only be used to transfer money between accounts and check balances.

The Council uses the BACS system to make payments and the following measures are in place to minimise risks in this process with circulation of a) Lloyds bank print-out to-date, b) Income and Expenditure annual spreadsheet v budgets set, c) a running bank account logging all income and expenditure since the formation of the council, all are sent monthly to three councillors together with copies of invoices (any receipts) due for settlement. Verification and approval by each councillor are made and items for payment are included in each month's agenda. Following the meeting, the payments are logged onto the Lloyd's system and a copy emailed to two councillors requesting their authorisation.
7. **Bank reconciliation**
The council receives a monthly budget against spend statement, including bank balances, and copies of bank statements to accord with the period of the reconciliation.
8. **Cash book records**
The cashbook is kept on Excel datasheet and is updated following each meeting.
9. **Internal audit**
The council has appointed an independent internal auditor. An audit is carried out prior to council AGAR receipt and signature.
10. **Internal control**
The council has established a system of internal control and set criteria for the appointed councillors to work to. Two councillors are appointed at the annual meeting to undertake the internal control checks throughout the year as agreed in the council's policy (see Financial Regulations).
11. **PAYE and Workplace Pensions Compliance**
The council uses the Government's "Basic PAYE Tools" facility which determines the PAYE payments to HMRC (current clerk employee not liable for NIC) and compliance with its duties in respect of automatic enrolment and workplace pensions (i.e. by completion of the declaration of compliance).

Supporting documents: 1) Internal Control Checklist and 2) Risk Management Scheme

To be considered for adoption at 9th May 2024 meeting

Chairman signed by: Cathy Burrell Responsible Financial Officer signed by: Jane Marlow

Date of adoption: 9th May 2024