



# Gooderstone Parish Council

## Financial Risk Assessment

Adopted at Parish Council Meeting 19<sup>th</sup> May 2015

Reviewed May 2019

Reviewed May 2021

This Financial Risk Assessment is in place to protect the electorate from financial risks in the Parish of Gooderstone.

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## 1. Financial Control Procedures

- 1.1 The role of Clerk is combined with the role of Responsible Financial Officer (RFO) and Proper Officer for Gooderstone. Each year during appraisal the list of duties will be reviewed by an appointed Parish Councillor, who will report at the following Parish Council meeting for agreement and minuted.
- 1.2 All financial documents will be held by the RFO, authorised payments will be entered on the Parish Council computer with back up of computerised systems to take place every other month with a copy kept off site.
- 1.3 The RFO will raise a full payments sheet for all payments for Full Council authorising at each bi-monthly meeting. All payments will be minuted. The RFO shall enter all payments and receipts in the cash book and annual budget records.
- 1.4 All cheques to be signed at Parish meetings by two of the three appointed cheque signatories, with the cheque stub initialled. The RFO is also a cheque signatory for on-line banking administration purposes only.
- 1.5 If a cheque is ever signed by the RFO when there is only one other appointed cheque signatory available, the other signee must witness and declare the signature of the RFO on the cheque stub and this will be reported and minuted at the following Parish meeting.
- 1.6 Where payments are made by cheque, the cheque number and date of issue to be written on all invoices. Where invoices are paid by direct debit or standing order, two cheque signatories will initial the mandate prior to establishing payment with on-line banking. No payments will be made by the RFO without full Council authorisation, other than when contract payments are due for payment before a bi-monthly meeting. These payments will be reported by the Clerk at the following meeting and minuted.

- 1.7 Any cash or cheques received by the RFO will be banked as soon as possible after receipt. Where cash is received the RFO will write the payee name & receipt number on the deposit slip.
- 1.8 The RFO will reclaim VAT annually after the financial year is closed. Payment will be entered in the following financial year's budget.
- 1.9 Bank statements will be reconciled bi-monthly with the cash book, financial budget, cheque stubs, direct debits and standing order payments. The payment entries will be cross referenced to the computerised budget and payment list.
- 1.10 An appointed councillor will undertake an internal control check every three months during a financial year, checking all finance papers as being correct. A report is to be given in the following Council meeting and minuted.

## 2 Procedure for Safeguarding Public Money Spending

- 2.1 No expenditure other than postage, general stationery and mileage for Parish Council business will be incurred by the RFO or any Councillor without the approval of the full Parish Council within Parish meetings and fully minuted.
- 2.2 All cheque payments will have two authorised bank signatures on each cheque, with initials by the same people on the cheque stub.
- 2.3 No petty cash is held in place within the Parish Council.
- 2.4 Cheque signatories complete a bank mandate form for the Parish Council bank completing all security checks before authorisation.
- 2.5 When signatories are changed (e.g. standing down or not standing for election) the RFO is to obtain the appropriate forms from the Business Banking Centre for deletion and addition. There are always three cheque signatories at any one time plus the RFO for bank

administration.

- 2.6 The Clerk/RFO will maintain a Register of Interests of all Councillors. It is the Councillor's responsibility to advise the Clerk and Breckland District Council of any changes to those interests.

- 2.7 The RFO will maintain [bi-]monthly HMRC returns for all salary payments made to Employees, including sub-contractors and any part-time staff. All HMRC payments are to be made within time constraints, with all relevant paperwork kept on file for audit purposes.

2.8 An independent Internal Auditor shall be decided at the March meeting. This person will have no connection to the Parish Council, will not be related to any Councillor and shall have experience with all aspects of account work, although does not need to be qualified. All financial figures and Council Governance will be checked and signed off with a written report submitted. The report is discussed by full council and before the annual audit papers are completed and submitted to the appointed external auditors.

- 2.9 When a vacancy arises for Clerk/RFO, the Parish Council is to obtain three references concerning the selected candidate. Where this is not possible at least two character references are to be obtained. Once in post and within 13 probationary weeks full training requirements will be assessed and recommended.

### 3. Budget Review Procedure

- 3.1 A finance budget meeting will take place in November to determine the required Precept for the following financial year.
- 3.2 The RFO will produce for the Parish Council a full budget showing all expenditure and receipts giving actual expenditure to date.
- 3.3 All contracts for work undertaken will be reviewed annually or when contracts finish. The Clerk/RFO will obtain at least 3 quotes for value of over £300 for comparison by the Council. Quotes under £300 the

Clerk obtains one quote and reports to the full Council at the Following Parish meeting.

#### 4. Public Liability Insurance

- 4.1 Public Liability Insurance cover will be reviewed at the Parish Council meeting in May of each year to ensure adequate cover is maintained.
- 4.2 The Clerk/RFO will ensure Fidelity Insurance is correctly in place.
- 4.3 An Asset Register is to be maintained by the Clerk and updated with any changes as they take place. An Assets inspection to be undertaken annually around July of each year by an appointed Councillor with a report to Council at the following meeting.

#### 5. Parish Council as an Employer

- 5.1 A Contract of Employment will be issued to Clerk/RFO within 13 weeks of commencing employment.
- 5.2 Financial remunerations to be paid to the Clerk/RFO towards cost of electricity, use of office space, and if used, to cover personal use of equipment if the Parish Council does not own this. To be reviewed annually at Clerk's annual assessment. Any travel (other than mileage) expenses are to be confirmed by resolution within a Parish Meeting for Clerk/RFO or any Councillor. Mileage at the recognised statutory mileage allowance, is paid solely for Parish Council business.
- 5.3 A laptop is to be provided by the Parish Council, with a review of replacement every three to five years as appropriate. All costs of stationery, IT consumables or printing charges paid for by the Clerk/RFO will be repaid by the Council with an appropriate VAT tax invoice as proof of purchase.

- 5.4 The Clerk/RFO Job description to be reviewed annually during the Clerk/RFO appraisal with an allocated Councillor. Any matters highlighted during the appraisal will be discussed at the end of the following Parish meeting, in private with no public or media present. Decisions that are addressed will be minuted. The Clerk/RFO salary will be reviewed during the Clerk's annual assessment held in September to determine if an increment salary rise is recommended. This decision will be agreed by full Council based on performance and within the Contract of Employment.
- 5.5 Training for the Clerk/RFO to be provided, when identified either by the Clerk/RFO or the Parish Council to carry out the role effectively and professionally.
- 5.6 A risk assessment of the Clerk/RFO work area (if working from home) to be reviewed within the annual risk assessment with any risks identified and addressed for health and safety.