



FINANCIAL RISK ASSESSMENT

Introduction

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

Policy

1 Handling cash

The parish council does not handle cash on a daily basis. The only regular income is precept, slipway rent, bank interest and annual VAT return. All of these are paid directly into the parish council's bank account.

2 Employer's liability

The council employs a clerk and its insurance policy with BHIB Insurance provides employers liability cover.

3 Public liability

The council has public liability cover to £10 million under its policy with BHIB Insurance.

4 Fidelity guarantee

The council has fidelity guarantee cover to £250,000 within the BHIB Insurance policy.

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

All councillors are cheque signatories. Two councillor signatures are required by the bank and in law. Cheques are only signed at meetings of the council.

Three councillors have access to online banking, but the role is limited to read-only access.

The clerk has access to online banking and is the only person able to transfer money or making payments using BACS. Security is provided by HSBC's secure access and two-factor authentication. HSBC do not have a two-person authorisation system, as a mitigation internal control requires that the bank is checked and reported monthly.

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 the Scribe accounting software and is updated following each meeting.

9 Internal audit

The council has appointed an independent internal auditor. An audit is carried out yearly in April as part of the Annual Governance and Accountability Return process.

10 Internal control

The council has established a system of internal controls and set criteria for the appointed councillors to work to. Three 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 receives evidence of PAYE payments to HMRC via print outs of the P32 forms and compliance with its duties in respect of automatic enrolment and workplace pensions (i.e. declaration of compliance and list of monthly pension payments).