

WASHINGTON PARISH COUNCIL



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FINANCIAL MANAGEMENT RISK ASSESSMENT

May 2022

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

Topic / Area	Risk Details	Control Measures	Comments
Internal Audit	To reduce the risk of embezzlement, fraud etc.	<p>The Internal Auditor currently visits annually to review the various accounting procedures including:</p> <ul style="list-style-type: none">• 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	<p>To comply with the law.</p> <p>To account for public funds.</p>	<ul style="list-style-type: none"> • 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. 	
Payments and Receipts	<p>To reduce the risk of embezzlement, fraud etc.</p> <p>To account for public funds.</p>	<ul style="list-style-type: none"> • 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 	
Standing Orders and Financial Regulations	<p>To ensure compliance with the law</p> <p>To ensure still relevant and sufficient safeguards in place.</p>	<ul style="list-style-type: none"> • Standing orders and Financial Regulations presented to the council for review annually. • Amendments made as and when law changes. 	
Insurance & Risk Management	<p>To protect public funds</p> <p>To protect assets</p> <p>Compliance with the law</p>	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	
Salaries	<p>To ensure compliance with the law</p> <p>To ensure necessary NI and PAYE contributions are paid</p>	<ul style="list-style-type: none"> • 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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VAT	<p>To ensure compliance with HMRC rules</p> <p>To ensure correct amounts are reclaimed</p>	<ul style="list-style-type: none"> • 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. 	

Prepared by Petrina Kingham Clerk and RPO Date 20.04.15

Adopted by Washington Parish Council. Date 14.05.15

Reviewed at Annual Parish Council Meeting 14.05.18

Reviewed at Annual Parish Council Meeting 13.05.19 draft Min Ref: 19.06

Reviewed by Finance Committee 25/05/22 and agreed without amendment at Annual Parish Council Meeting 09.05.22