



Buriton Parish Council

Financial Risk Assessment January 2023

Buriton Parish Council has looked at the financial risks that it must deal with and resolved to adopt the following policy.

Employers Liability

The council employs a Clerk, a Village Hall Manager and casual workers as part of the running of the village hall. Its insurance policy with Ecclesiastical provides employers' liability cover.

Public Liability

The council has public liability insurance over with Ecclesiastical of £5 million.

Fidelity guarantee

The council has fidelity guarantee cover of £150,000.

Village Hall

The village hall has a separate bank account but has the same banking requirements as the council.

Internal audit

The council have appointed an independent internal audit. The appointment was approved by the council. An audit is carried out annually.

Internal control

No.	Internal Control Tests	Findings
1	Proper Bookkeeping	
1.1	Is the cashbook maintained and up to date? Format used?	The cash book is maintained on Alpha Software and is updated at least monthly by the Clerk.



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1.2	Is the cashbook arithmetically correct?	Checks within the Alpha Software will highlight any issues.
1.3	Is the cashbook regularly balanced?	The cashbook is balanced and reported to the Parish Council meetings. It is approved by Councillors at each meeting.
2a	Standing Orders and Financial Regulations	
2.1	Has the Council formally adopted Standing orders and Financial regulations, & dates approved?	Adopted 30 th January 2023
2.2	Has an RFO been appointed with specific duties noted in both contract & Fin./Regs?	The Clerk is the RFO.
2.3	Have items or services above a de minimis amount been competitively purchased?	As per the Standing Orders.
2b	Payments Controls	
2.4	Are payments in the cashbook supported by invoices, authorised and minuted?	All invoices are paid via BACS transfer where possible. Payments are logged on the on-line banking system. The payment is authorised by two of six Councillor signatories following an email request with a copy of the relevant invoice from the Clerk. A Cheque if required will be written by the Clerk and presented with the relevant invoice to two of the six councillors. Details of payments and receipts are presented at the Parish Council meetings and signed off by the Chair.
2.5	Has VAT on payments been checked, recorded and reclaimed? Frequency, & refunds into which A/c?	VAT is recorded on the Alpha Software and reclaimed on an annual claim in accordance with Customs and Excise rules.
2.6	Is S.137 expenditure separately recorded & in limit?	Where required this will be recorded in the minutes of the Parish Council meetings.
3	Risk Management Arrangements	
3.1	Does a scan of the minutes identify any unusual financial activity, projects, events etc.?	This will be recorded in the minutes of the Parish Council meetings.
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas/BMX/skateparks	Playground inspections are carried out on a quarterly basis by a qualified contractor. A councillor carries out regular inspections. Any repairs required



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	regularity of checks & documentation?	are discussed at Parish Council meetings. Urgent actions are arranged via emails and subsequently recorded at the next Parish Council meeting.
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? FG cover level correct?	<p>Council's insurers are currently Ecclesiastical and there is £10,000,000 Public Liability cover with a £10,000,000 Employers Liability. Hirers' Liability £5,000,000. The current insurance policy expires on 30th September 2023.</p> <p>The council's insurance schedules are reviewed regularly when some insurance scheduled asset values are increased/reduced to comply with current valuations. The internal auditor reviews with the Clerk the risk assessment and the insurance schedule during the annual visit. The council reviews the risk assessment and asset register annually. All reasonable risks to the council have been covered by our insurance.</p>
3.4	Are internal financial controls documented and reviewed regularly?	The council has established a system of internal control, councillors undertake the internal control checks throughout the year.
4	Budgetary Controls	
4.1	Has the Council prepared an annual budget in support of its precept? Council minute & date?	The budget process is conducted by councillors in the autumn and the precept agreed at the November meeting of the full council meeting.
4.2	Is actual expenditure against the budget regularly reported to the Council & minuted?	Expenditure against budget is presented by the Clerk to each parish meeting and minuted.
4.3	Are there any significant and unexplained variances on budget?	This is minuted at each meeting where required.
4.4	Has consideration been given to any global situations which can effect the budget?	Consideration has been given when setting the budget to the current pandemic.
5	Income Controls	
5.1	Is income properly recorded and promptly banked?	The council does not handle cash on a daily basis. The only income is occasional receipts which are paid directly into the Parish Council's bank account or the Village Hall account.



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5.2	Does the precept recorded in the cashbook agree to the DC's notification? Yearly review of scale of fees?	The precept recorded in the cashbook agrees with the notification.
5.3	Are security controls over cash adequate and effective?	Cash is not handled within the council except in very exceptional circumstances, if it is, it is paid into the bank account as soon as possible.
6	Petty Cash Procedures	
6.1	Is all petty cash spent noted in book /sheets with pro forma &/or voucher to support, esp. those with VAT? Imprest basis used?	There is no petty cash.
6.2	Is petty cash reported to each Council meeting?	n/a
6.3	Is petty cash reimbursement carried out regularly?	n/a
7	Payroll Controls	
7.1	Do staff salaries/wages paid agree with those approved by the Council & what is review frequency?	Timesheets are submitted to the Chair and Vice Chair for approval before salary is paid, unless one is away then approval would be retrospectively.
7.2	Are other expenses to the Clerk/staff reasonable and approved by the Council?	Expenses are approved by two councillors.
7.3	Have PAYE/NIC/ Pensions been properly operated by Council as an employer? Payment frequencies/method?	This is completed by external accountants for the council. PAYE/NIC is paid quarterly.
8	Assets Controls	
8.1	Does Council keep an asset register of all assets owned incl. serial nos.? Annual physical check noted?	As asset register is completed on an annual basis and as required if new equipment is purchased.
8.2	Are the Asset/Investments registers up to date, incl. disposals? Note all Investments held with a/c nos.	As above
8.3	Do asset insurance valuations agree with those in the	Valuations are reviewed on a regular basis.



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	asset register?	
9	Bank Reconciliation	
9.1	Is there a Bank reconciliation for each account held? Note each A/c with bank/branch & a/c no. If relevant, review Money Market transfers & documentation.	Completed within the Alpha Software.
9.2	Are Bank reconciliations conducted on receipt of statements & with what frequency?	Bank reconciliations are completed on a monthly basis once statements are received by the Clerk.
9.3	Are there any unexplained balancing entries in any reconciliation?	If any error with input these are corrected within the software.
10	Year-end Procedures	
10.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Yes, reports produced from Alpha Software.
10.2	Do the accounts agree with the cashbook codings?	Yes, via reports from Alpha
10.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments?	Yes, within Alpha
10.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end, General and Earmarked reserves held at reasonable levels?	Yes, within Alpha. Earmarked reserves are reviewed at each Parish Meeting.

Signed _____

Date _____



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Internal Auditor

Signed _____

Date _____

RFO

Action Plan for Recommendations

No.	Recommendations	Actioned by	Date

Signed _____

Date _____

Internal Auditor

Signed _____

Date _____



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RFO