Bawdeswell Parish Council – Financial Risk Assessment

Approved by Council on 7th May 2026

The following control systems are in place to ensure that Bawdeswell Parish Council is doing everything possible to protect public money from financial risk.

Finance

Risk: 1. Accounting errors due to lack of financial control

Procedures to address risk:

1.1 A Responsible Financial Officer (RFO) will be appointed whenever a vacancy arises. The RFO's job description to be agreed and minuted annually (as part of the appraisal process).

1.2 Where the RFO is also the Clerk, a Parish Councillor or other approved person will be appointed by the Parish Council with a special responsibility for financial matters. They will be referred to as the Internal Audit Control Officer.

1.3 All financial documentation will be held by the RFO, e.g. cheque books, paying in books, invoices, receipts, bank statements, VAT reclaim documents and cashbook.

1.4 Electronic data will be backed-up regularly to the external hard drive.

1.5 All payments will be authorised and entered into the cashbook with relevant minute reference.

1.6 Where the payment is made online, two authorising signatories will sign the payment list at the council meeting when payments are approved. The two signatories authorising payment will check invoices against payment. Where payments are made by cheque, cheque numbers will be written on invoices.

1.7 Cash and cheques received will be entered into the cashbook upon receipt and banked by the RFO as soon as reasonably practicable.

1.8 Bank statements will be reconciled regularly (upon receipt) with the cashbook and checked by the Internal Audit Control Officer on a quarterly basis and at each financial year end. The Internal Audit Control Officer will sign the reconciliations and bank statement as evidence and the activity reported to council.

1.9 VAT will be reclaimed at least annually.

1.10 Appropriate training will be offered to the RFO as and when needs are identified.

Risk: 2. Budget overspend

Procedures to address risk:

2.1 A budget meeting will be held annually November / December to determine the budget for the following financial year and to determine the precept to be applied for.

2.2 The budget to actual income and expenditure will be reported to and reviewed by the Council at every meeting.

2.3 The Contract of Employment and salary of the Clerk, or any other employee, will be reviewed annually in September.

Risk: 3. Loss of funds due to misappropriation of public money

Procedures to address risk:

3.1 No expenditure will be incurred by any member of the Parish Council without the prior approval of a properly constituted Parish Council meeting.

3.2 All invoices will be paid on the authority of the Parish Council at a properly constituted Parish Council meeting.

3.3 The Clerk/RFO cannot make purchases of individual items in excess of £500 without the prior (minuted) authority of the council. This amount should be reviewed annually to take account of inflation.

3.4 Payments made via the Council's online bank account will actioned by the RFO and approved by signatories. Any cheques will be signed by two councillors authorised by bank mandate, and cheque stubs to be initialled by those two councillors.

3.5 The Clerk will maintain a Register of Interests of all Councillors. Councillors will advise the Clerk in writing of any changes to those interests as and when they arise.

3.6 The RFO will make monthly returns to HMRC to ensure that they are kept informed of monies paid to the Clerk, or any other employee.

3.7 Year end accounts will be prepared by the RFO for circulation to the Parish Council by mid-May following the financial year end on 31 March.

3.8 Appointment of Independent Internal Auditor will be reviewed following the conclusion of the internal audit.

3.9 Council will obtain employment references covering the previous three years for all new employees. Where employment references are not available, and having established an acceptable reason why, character references must be sought.

3.10 No petty cash to be kept. Clerk to claim expenses monthly.

Insurance

Risk: 4. Under-insurance of parish council assets

Procedures to address risk:

4.1 Insurance cover will be reviewed alongside the asset register at the Annual Parish Council Meeting in May of each year to ensure adequate cover is maintained.

4.2 Fidelity insurance to be considered.

4.3 An Asset Register will be maintained by the Clerk and updated at the time assets are added or removed in accordance with the Asset Register Policy, and will be presented to the Council for inspection at the Annual Parish Council Meeting.

Public Liability

Risk: 5. Liability to public to provide a duty of care

Procedures to address risk:

5.1 Health and safety checks will be carried out on the play area and defibrillator monthly. All other street furniture will be checked annually to monitor and identify risks to the health and safety of the public using these items.

5.2 An annual inspection of the play area will take place by a qualified inspector and findings reported to Council at the next monthly meeting, following receipt of the report.

5.3 Risk assessments for all other areas of the Council's business (as appropriate) will be reviewed every year, or more frequently if required.

Employer's Liability

Risk: 6. Compensation Claim from Employee for Malpractice or Injury

Procedures to address risk:

6.1 A Contract of Employment will be issued to a new employee within 2 months of commencement of employment.

6.2 The job description of the employee will be reviewed at the employee's annual appraisal.

6.3 The appraisal will be carried out annually around the anniversary of appointment and agreed targets reported to the Council (as appropriate) at the next council meeting.

6.4 Matters relating to employees will be discussed in confidence – (public and press to leave the meeting room as well as employee) and decisions minuted.

6.5 Appropriate training will be provided for all identified training needs necessary to carry out role.

6.6 Risk assessment will be carried out within two months of joining the Council on Clerk's/RFO's work station and immediate working area (where working from home), risks identified and reported to council and action taken to reduce risks. This assessment will be carried out independently of the Clerk/RFO by a suitably qualified Councillor or advisor to the Council. The Clerk may request further assessments.

6.7 Appropriate equipment to be provided to ensure that employee can carry out role effectively and safely.

6.8 Expenses policy for such as lighting, heating, computer usage and travel will be reviewed at the time of budget setting.