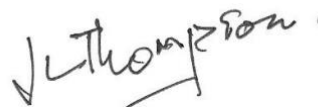


LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

Risk Area	Risk implications	Control Procedures
<p>Loss of Financial viability; change in circumstances resulting in reduced Precept revenue and/or reduced Community Infrastructure Levy (CIL) income.</p>	<p>Bankruptcy of Parish Council.</p> <p>Reduced income for long term project expenditure and Council commitments.</p> <p>Loss of local services and employment.</p> <p>Failure of Councillors to exercise due care.</p>	<p>Overall Control</p> <p>The Council reviews and monitors all financial affairs of the Council at its monthly Council meetings and periodic Finance Committee meetings.</p> <p>The Council adopted its own Financial Regulations in 2016, and these will be reviewed annually by the Clerk (and Responsible Finance Officer) and the Finance Committee for Council approval.</p> <p>Budgetary Control</p> <p>A detailed annual budget is prepared by the Responsible Finance Officer (RFO), in consultation with the chair of the Finance Committee in October. This is then reviewed by the Council as to the budget for the year ahead and used to set the Precept. The Council approves the Budget and the Precept at its December or January meeting. The RFO submits the Precept request to Tandridge District Council (TDC) by the January deadline (usually end of second week of January).</p> <p>Projects approved by the Council and included in the budget are required to have detailed, conservative cost estimates and prudent contingencies. The Total Budget will also include a contingency.</p> <p>The Council maintains a contingency Reserve equal to at least half the Precept and this Reserve level is reviewed and approved annually by the Council. Temporary use of Reserves must include plan to replenish Reserves and be approved by the Council.</p>

Councillor John Thompson – Chair of the Parish Council



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LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

In accordance to the Financial Regulations, revenue expenditure may only be incurred up to the amounts included for that class of expenditure in the approved budget. Unanticipated expenditure and spending above approved items in the Budget require Council approval. Virements between budget categories also require Council approval.

The Council funds expenditure on a “pay as you go” basis and will not make forward spending commitments beyond its expected annual revenue.

Actual expenditure compared to budget is reviewed by the Clerk and the Council every quarter and follow up action taken as appropriate.

An annual summary of actual expenditure compared to budget together with explanations for significant variances is presented to the Council for their review at the April or May Council meeting.

Capital Projects

Any potential capital expenditure is first considered by the Finance Committee and then must be approved by the Council before being occurred, in line with the Financial Regulations.

The Financial Regulations set out detailed procedures which must be followed regarding capital expenditure, including the ordering process.

Councillor John Thompson – Chair of the Parish Council

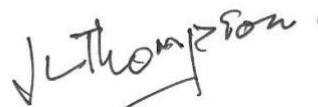


Dated14/12/20.....

LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

Risk area	Risk Implications	Control Procedures
<p>Fraud/Theft/Inappropriate use of online banking</p>	<p>Monetary Loss to the Council</p> <p>Duplicative or inaccurate online bank payments</p> <p>Adverse Publicity resulting in loss of reputation</p>	<p>Bank and Cash</p> <p>The Clerk and 4 Councillors approved by the full Council have authority to sign cheques. Two of these signatories (the Clerk and Finance Chair) have online banking access.</p> <p>The Clerk/RFO keeps the cheque books and maintains the online banking accounts. Cheques require two Councillor signatories with bank account authorisation to sign. The signatories can only sign the cheque once the expenditure has been approved and on presentation of supporting documentation.</p> <p>All payments are ratified by the Council (at the monthly meeting) and recorded individually.</p> <p>The RFO is authorised by the Council to make online payments once verified and approved by the Council.</p> <p>Online banking is carried out by two signatories with online access - generally the Finance Committee Chair and the Clerk/RFO.</p> <p>Only Council approved and recorded payments may be made.</p> <p>The Clerk may not authorise / pay his/herself. No Councillor may pay his/herself.</p> <p>Second pair of eyes: In lieu of Dual Access Banking, a list of “scheduled payments” will be created online by the clerk with at least 48H notice. This list of scheduled payments must be emailed to other online access holder/signatory for check and approval before they are made. Record of this approval process must be kept and filed.</p>

Councillor John Thompson – Chair of the Parish Council



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LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

		<p>The Clerk/RFO prepares monthly bank reconciliations showing end of month balances, pending payments, standing orders, other approved payments to be made, and projected end of month bank balances.</p> <p>A quarterly internal audit is performed by the RFO covering:</p> <ul style="list-style-type: none">• Checking the quarterly bank reconciliation and supporting documentation• Checking the cashbook entries for the quarter• Detailed testing of the receipts/payments for the quarter• Once approved, the quarterly reconciliations are signed by the Clerk and the chair of the Council and recorded in the minutes. <p>An annual examination is performed by the Council's independent Internal Auditor. The annual accounts are then subject to a desktop audit by a Government appointed external auditor.</p>
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Councillor John Thompson – Chair of the Parish Council



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LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

Risk Area	Risk Implications	Control Procedures
<p>Theft of Council Assets.</p> <p>Poorly maintained fixed assets resulting in public injury.</p>	<p>Monetary loss to the Council.</p> <p>Failure to be able to prepare meaningful financial information.</p>	<p>Fixed Assets</p> <p>An up to date register is maintained of all the Council's assets. At least once a year, a Councillor physically inspects all the Council's assets and compares them to the register.</p> <p>A regular maintenance and inspection programme are in place.</p> <p>The Council's assets are insured at full replacement value and the Finance Committee review these values annually. Other assets in which the Council maintains an insured interest are listed in the register and notified to the Council's insurer.</p> <p>Public Liability Insurance is maintained to £10,000,000.</p>

Councillor John Thompson – Chair of the Parish Council

J Thompson

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LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

Risk Area	Risk Implications	Control Procedures
Deemed inappropriate behaviour by an individual councillor	Loss of credibility of the Council as a whole	<p>Individual Councillors are supplied with a copy of the model Code of Conduct for Parish and Town Council's and are expected to fully comply with it at all times. The Registers of Members' Pecuniary Interests (DPI's), gifts and hospitality are maintained by the Clerk who ensures it is complete and up to date. The register is available for public inspection on the Parish Council's website. Councillors are required to notify the Clerk of any changes in DPI's within 28 days of them coming into effect. The Clerk is responsible for updating the Register of Members DPI's and forwarding the same to SDC within the 28-day period. Failure for Councillors to comply with this is a criminal offence.</p>
Deemed inappropriate behaviour by the Council	Council and Councillors open to accusations of misconduct.	<p>Council business is only conducted during Council meetings, which are open to the public. This also applies to formal committees which have delegated powers. Sub-Committees meet occasionally to enable recommendations on complex matters to be formulated and put to the main Council for consideration. They have no decision-making powers and report back to the main Council.</p> <p>Council meetings are always held at locations with disability access. The Clerk to the Council attends all meetings and is responsible for advising the Chairman on the running of the meeting thereby ensuring it meets all appropriate standards and requirements. Full and accurate reporting of the Council's business in the minutes by the Clerk.</p> <p>Minutes properly numbered and paginated with a master copy signed by the Chairman kept in safekeeping.</p> <p>Minutes circulated to interested parties and on public display (eg on website).</p>

Councillor John Thompson – Chair of the Parish Council

J Thompson

Dated14/12/20.....

LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

<p>Failure to comply with all appropriate laws and Regulations.</p>	<p>Loss of professional reputation and/or fine for individual Councillor or the Council.</p>	<p>Any complaint made about the Council or an individual Councillor is immediately referred to the SDC Compliance Officer.</p> <p>The Clerk is familiar with the legal requirements applicable to Councils.</p> <p>The Council has access to independent legal advice specialising in Council matters.</p> <p>Clerk’s contract of employment is reviewed annually.</p> <p>Ensure requirements are met that all business activities are within legal powers applicable to the Council with powers used being recorded.</p> <p>Ensure proper use of Council funds under Section 137 of the Local Government Act 1972.</p> <p>Ensuring requirements are met to prepare annual Statement of Accounts which presents fairly the and financial position of the Council and its income and expenditure for the year.</p>
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Councillor John Thompson – Chair of the Parish Council



Dated14/12/20.....

LIMPSFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – FY 2020/21

Risk Area	Risk Implications	Control procedures
<p>Administrative systems and records</p> <p>Loss of Accounting information</p>	<p>Loss of Council reputation from the failure of the Council to be able to operate effectively.</p> <p>Failure to be able to prepare Annual Statement of Accounts in accordance with the regulations.</p>	<p>All Council's administrative systems kept on the Clerk's computer. The Clerk also maintains Council files on remote servers (cloud-based storage services, such as Dropbox).</p> <p>Hard copies of all key documents are kept by the Clerk in line with the duty to keep records. Copies of all key documents are also kept on the website's file servers.</p> <p>The Clerk conducts regular back-ups of all Council documents to the remote server and/or separate hard drive which should be held at a remote location from the Clerk's Home Office address.</p> <p>The Council is fully compliant with the General Data Protection Regulations 2018.</p>

Councillor John Thompson – Chair of the Parish Council

J. Thompson

Dated14/12/20.....