



# WISTON PARISH COUNCIL

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## **RISK ASSESSMENT**

### **FINANCIAL MANAGEMENT TO ENSURE THERE IS NO POTENTIAL NON-COMPLIANCE WITH LAWS, REGULATIONS AND CODES OF PRACTICE**

#### 1. **Internal Audit**

The Internal Auditor to visit at least annually in order to ensure that the various accounting procedures are being adhered to. Following the visit the Responsible Financial Officer must advise the Council of the outcome.

- (a) Ensure the cash book is written up to date, look at chequebook to see the number of the last cheque drawn, and there are no pre-signed blank cheques.
- (b) Ensure the cash book is totalled and balanced. Test arithmetic. Check balancing to coincide with bank statements.
- (c) Inspect reconciliation and test arithmetic. Check whether all unpresented cheques are cleared from the previous reconciliation.

*Reason: To reduce risk of embezzlement, fraud, etc.*

#### 2. **Standing Orders and Financial Regulations**

To review Standing Orders and Financial Regulations annually in order to ensure that they remain relevant to the work of the Council.

*Reason: To ensure still relevant and sufficient safeguards in place.*

#### 3. **Expenditure and Payments**

The Clerk, following resolution of the Council should authorize supply of goods and services and competitive prices to be sought in accordance with the Financial Regulations. Before payment of invoices is made all invoices should be checked to ensure that the figures are correct and invoices are properly addressed to the Parish Council.

Two Councillors must sign all cheques and they must initial the counterfoil.

All cheques need Council approval or as Standing Order No 55 (2) & (3) below

- (2) Where it is necessary to make a payment before it has been authorised by the Council, such payment shall be certified as to its correctness and urgency by the Responsible Financial Officer. Such payment shall be authorised by the committee, if any, having charge of the business to which it relates, or by the Proper Officer for payment with the approval of the Chairman or Vice-Chairman of the Council.

(3) All payments ratified under sub-paragraph (2) of this Standing Order shall be separately included in the next schedule of payments before the Council

Expenditure under Local Government Act 1972, s.137 must be recorded in a separate column in the cash book and the use of this power should be recorded in the minutes.

Where possible Petty Cash should not be used, but if it is required the Clerk should control the Petty Cash system and up to the sum of £100.00 per month is allowable. An additional £100.00 may be had during a month in consultation with the Chairman or in his absence, the Vice-Chairman.

*Reason: To ensure public money not being misused.*

4. **Insurance**

Ensure that all purchases of new equipment are referred to the insurers in order to obtain cover for these items.

The Council or the relevant Committee shall review insurances annually to ensure that the sums insured are index linked where appropriate and adequate, especially Public Liability.

Certificates of Insurance to be kept for 40 years.

*Reason: In case Public Liability claims come in and to comply with Law.*

5. **Budget Procedures**

Ensure adoption of a Budget each year in order that the Council may set its Precept and this should be properly minuted.

To monitor the expenditure against budget by Committees and Council.

Any items of expenditure not within the original Budget should be referred to the Finance Committee who should decide from where these monies would be taken

*Reason: To ensure sufficient budgetary controls.*

6. **Income**

Review charges annually. Ensure that all charges are made for services provided. Cash and cheques received should be given a written receipt and placed in a safe place until banked.

The reason for this is to ensure that all monies are properly banked. These payments should be entered into the receipts and payments book and monthly checked with the bank statement. All cash on the premises should be adequately secured.

*Reason: To ensure money is not stolen.*

7. **Salaries and Wages**

All payments of employees' salaries should be authorized during the Budget process and all necessary PAYE, and NIC, deductions taken and conveyed to HMRC, including the annual return. No payment to staff should be made without the deduction of Tax without the agreement of HMRC.

*Reason: Otherwise the Council could be liable for payment of such Tax not deducted.*

8. **Asset Register**

The register should be written up at least annually with details of acquisitions and disposals.

*Reason: To ensure the Council is fully aware of their financial position.*

9. **Annual Statement**

Year-end accounts to be prepared annually for audit.

*Reason: To comply with Law.*

10. **VAT**

All incoming invoices should be checked to ensure that the correct VAT has been charged.

VAT claims for repayment should be made at least annually.

*Reason: To ensure monies due to the Council are reclaimed regularly.*