



LEONARD STANLEY

P A R I S H C O U N C I L

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FINANCIAL RISK REVIEW – July 2021

Local Authorities must comply with proper practices as found in the Practitioner Guides (<http://www.slcc.co.uk/UserFiles/File/PracGuide/2010PractitionersGuide.pdf>).

In accordance with proper practices the Council must ensure that they have assessed the potential risks and taken reasonable steps to ensure that it has conducted its business within the legal powers to do so. The Council should ensure that it has maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption.

Potential Risks

1. Fraud
2. Waste/Loss
3. Other

Managing Risks

1. Fraud

- Cheques should run in sequence / BACS payments should clearly listed showing the date for payment.
- Payments clearly shown on the RFO Report at Parish Council meetings (details to include; Date, Payee, Description of expenditure, cheque number or bacs date for payment).
- RFO Report to also include an up to date bank reconciliation
- All expenditure listed on the RFO report to be approved by the Parish Council during the appropriate meeting (if payments are made prior to the meeting, these should be highlighted in the report).
- Any Standing Orders or Direct Debits to be approved prior to being set up.
- The RFO should ensure that the Council has the lawful power to authorise before any expenditure is incurred.

2. Waste/Loss

- Any significant financial cost to be incurred should be itemised on the published Agenda – to allow members of the public to question.
- Reasonable increases to existing contracts can be accepted without the need to seek further quotations.
- Several quotes to be sought (as per Financial Standing Orders) for new contracts.
- Declarations of Interest should be noted and appropriately recorded. (Note as per Standing Orders if a Member has 'Declared an Interest' then they should leave the room whilst the Agenda Item is discussed).
- The current years' budget should be reviewed prior to the new budget being debated and approved.
- The new budget for the next financial year should be approved prior to the Precept being set.
- Invoices to be issued in a timely matter and reminders sent when appropriate.
- Insurance Cover is to be adequately maintained; this must include Employer's Liability and Fidelity Risks.
- Reasonable steps should be taken by the RFO to avoid bank charges.

3. Other

- At least one Member should be appointed to act as a Financial Overseer.
- The Financial Overseer should carry out a periodic audit trail and check the bank reconciliation. This should then be reported to the Council and recorded in the minutes.
- The RFO is to maintain an accurate record of accounts.
- The RFO should ensure current practises and regulations are adhered too.
- The Council should be kept informed and updated of any changes or issues.
- A Financial Risk Review should be undertaken annually.
- The Auditors' feedback report is to be considered and appropriate action taken regarding any recommendations.