

Financial Risk Management Policy

Buckden Parish Council

Appendix 1 Risk Assessment - Strategic Financial Risks

What are the hazards?	Who might be harmed and how?	What are you already doing?	Do you need to do anything else to manage this risk?	Action by whom?	Risk rating	Action by when?	Done
Raid/assault transporting cash	Clerk	CASH: All cash handling kept to an absolute minimum. Residents encouraged to make payments electronically or by cheque. Cash payments to be signed for and receipted when cash payment handed over.	Minimise use of cash: Make cash payments only if use of BPC Debit Card, BACS or Cheque is not possible PC to use receipt form; to be signed by persons receiving cash from BPC	Clerk	C3	Ongoing	See Appendix 4 Transport and Handling of Cash Risk Assessment 2020 (as updated) BPC cash receipts to be retained for two financial years.
Poor account management/fraud	Council Taxpayers of Buckden & Diddington unnecessary increased precept requirements	RFO: The Council has delegated the role of protecting the Council's finances to the 'Responsible Financial Officer' who is the Clerk. See Clerk's contract of employment.	The Council reviews Financial matters at Council meetings. All Councillors can inspect bank reconciliations & monthly comparisons. Any other financial issues are raised at the next available PC meeting.	Clerk	C3	Ongoing	RFO role included in Clerk's contract.

What are the hazards?	Who might be harmed and how?	What are you already doing?	Do you need to do anything else to manage this risk?	Action by whom?	Risk rating	Action by when?	Done
Poor account management/ Fraud Risk of bank not being able to repay when required or if bank failed.	Council Taxpayers of Buckden & Diddington Unnecessary increased precept requirements	ACCOUNTS: RFO to set up payments for sanction with Internet banking two authorised signatories for each transaction Cheques signed by two Councillors authorised on Unity current account * When cheques signed counterfoils must be signed by two cheque signatories. * No signed blank cheques permitted. Balance number of accounts against Protecting funds by FSCS – Finance AG to review at least annually and report to Council for consideration.	Internet banking signatories to be supported with Clerk to hold details to make amendments to the account Monitor availability of signatories and maintain sufficient Councillors to undertake that role including for Savings accounts in addition to current accounts *Manage all accounts in line with BPC Investment Strategy * NatWest internet banking using App * Cambridge BS Councils' Account only cheque transactions	Clerk & Authorised signatories	B3	Ongoing	BoS term deposit closed to improve interest rates NatWest (2xaccounts) Balance reduced as App transfers cannot be limited to 2 signatories. Nationwide account opened in 2020 for Reserves Cambridge BS account opened in July 2021. Finance AG recommend <u>not</u> using CCLA for investing BPC funds low return & not protected by FSCS

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Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept	PAYMENTS FOR SANCTION: Review PFS procedure with EDGE annually. Copies of IT cashbook, bank reconciliation and copy bank statements passed quarterly to nominated councilors.	Further training for RFO from provider of Finance System (EDGE IT) to ensure full functionality is used to support financial management. Support Assistant Clerk's learning with EDGE systems including Finance	Clerk	C3	Ongoing	Amended procedure- reconciliation of Unity bank to protect personal information
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	REVIEW OF BANK RECONCILIATION: In compliance with Financial Regulations to report quarterly that the nominated Councillors have signed and initialed the Council bank reconciliations and bank statements as evidence of verification.	This is noted in the minutes of Council when reported.	Clerk	C3	Ongoing	Amended Finance procedures to ensure reconciliation by a Councillor who is not a bank signatory

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Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	FINANCIAL REGULATIONS: Annual Review of Financial Regulations and if new guidance issued at other times by NALC or JPAG. See BPC Annual Review Plan	Complete other Financial Risk Assessments as required and add to policy once signed off.	Clerk	C3	Ongoing	Updated Finance Regulations in line with NALC and JPAG guidance
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	STANDING ORDERS: Annual review of Standing Orders.	Monitor for changes in national guidance and Regulations affecting financial risk management and notify Compliance Advisory Group of significant changes.	Clerk	C3	Ongoing	Standing Orders amended as recommended (see Version Control)
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	DIRECT DEBITS: Reviewed annually and agreed in line with Finance Regulations. Prior Review at Finance Advisory Group.	Value for money of supplies managed through DDs to be reviewed at least annually.	Clerk	C3	Ongoing	Reviewed See Council Minutes, Annual Council meeting

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Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	BANK SIGNATORIES: Nominated Councillors to be signatories on the bank mandates for internet banking/signing cheques. Clerk to advise Council's bankers of Councillors who have resigned and who were bank signatories.	Ensure sufficient nominated Councillors to authorise internet banking payments when required.	Clerk	C3	Ongoing	Record of updated signatory authorisation maintained by RFO. Confirmed read-only arrangements as appropriate for management of Roundabout income.
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	OVERSIGHT OF BANKING: Copies of Financial Summary, Bank Reconciliation statements and Financial Monthly Comparisons presented to nominated Councillors	Copies of Bank Reconciliation Statement to be signed by Council meeting Chairman	Clerk	C3	Ongoing	Completed monthly

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Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	RECORD OF AUTHORISED SIGNATORIES: RFO to retain copies of bank signatories' authorisation and removal.	Record recommended period for retention of these records for audit purposes	Clerk	C3	Ongoing	BPC document-retention policy (see Version Control) Also JPAG guidance as updated.
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	FIDELITY GUARANTEE: amount checked monthly by RFO to ensure bank balances are within amount covered by Council's insurers. To be increased with insurers.	In PC insurance Fidelity Guarantee is described "Employee Dishonesty Cover". Review value at least annually to ensure ongoing match with Council Turnover	Clerk	C3	Ongoing	Retain copy of notification of Fidelity Guarantee to Insurers e.g. in Statement of Fact
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	INTERNAL AUDITOR: Council to appoint and internal audit to be carried out by appointed auditor. Copies of internal Audit report to be presented to Council as soon as available.	Ensure that internal auditor is changed at appropriate intervals. Internal Auditor to ensure AGAR authorised on time, taking account of previous year's External Audit	Clerk	C3	Ongoing	New Auditor appointed for review of financial accounts for years from 2023-24

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Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	RESERVES: The Council to review and adopt its Reserves Policy and Earmarked Reserves list.	Review the list of Earmarked Reserves and their assigned values at least annually and when new grants added to Reserves.	PC	C3	Ongoing	Anticipated Reserves reviewed at each November PC meeting as part of annual budget setting Further review at each April Finance AG and Annual Council meeting
Poor account management/ fraud	Council Taxpayers of Buckden Unnecessary increased precept requirements	CORPORATE CARD: Provided for the RFO/Clerk agreed with limit of £2,500. Revised Allotments AG & Roundabout prize money arrangements	See a separate risk assessment for the Corporate Credit card.	Clerk	C3	Ongoing	On card cash withdrawal limit is £100

Clerk's Signature

Date:

RFO, Proper Officer and Parish Clerk

Assessor's Signature

Date:

BPC Chairman

Risk Rating Formula

Rate the hazard – severity and consequence	Rate the risk – likelihood	Notes
A - Death - Major Injury - Major damage or major loss to property/equipment - Major reputational risk	1. Extremely likely to occur 2. Frequent/often/likely to occur - Major injury 3. - Slight chance of occurring	A1 Unacceptable – must receive immediate attention to remove or reduce risk or stop work activity A2/B1 Urgent – must receive attention as soon as possible to remove/reduce hazard or risk A3/C1 Must receive attention to remove/reduce hazard or risk
B - Injury lasting over 3 days - Damage to property/equipment - Potential reputational risk		B2 Should receive attention to remove/reduce hazard or risk B3/C2 Low priority – remove/reduce hazard or risk after other priorities
C - Minor injury - Minor damage loss to property/equipment - Unlikely to cause risk to Council reputation		C3 Very low priority – remove/reduce hazard or risk after other priorities

Buckden Parish Council Risk Assessment Strategic Financial Risk

Version Control Record

Version	Date	Author	Reason for update
Version 1	13 th November 2018	Ramune Mimiene (Clerk) and Cllr Sue Ashwell (Chairman, Finance Advisory Group)	New Risk Assessment <i>Adapted from Little Paxton assessment, with consent</i>
Version 2	March 2020	Ramune Mimiene (Clerk) and Cllr Sue Ashwell (Chairman, Finance AG)	Risk Assessment updated to align with experience and current financial management arrangements.
Version 3	22 June 2021 Finance AG 13 July 2021 Council	Ramune Mimiene (Clerk) and Cllr Sue Ashwell (Chairman, Finance AG)	Reviewed risk assessments and updated with actions taken and new processes put in place since the last review
Version 4	30 January 2024 Finance AG February 2024 Council	Ramune Mimiene (Clerk) Sue Ashwell , Chairman, Village Maintenance AG and Finance Advisory Group	Reviewed Financial risk assessments Appendices as a 'set'. For handover to new Finance AG Chairman Updated with actions taken and new processes put in place since the last review
Version 5	Annual May BPC	Full Council	No changes, nothing to review, needed to be reviewed in 2024.25
Version 6	July BPC	Full Council	Reviewed in 2025.26