

## FINANCIAL RISK ASSESSMENT 2020/21 – AYLESFORD PARISH COUNCIL

Hazard	Assessment undertaken	Conclusion
Misappropriation of funds.	All Council transactions are carried out by bacs transfer, cheque, direct debit, credit card or via a petty cash float of £100 maximum. In addition, Council staff wages are calculated by SAGE and wages, tax and NICS paid by Bacs transfer.	
	<p><u>Bacs Transfer</u> - All invoices are entered by the Assistant Clerk and Finance Officer and included on a payment schedule which is circulated with Council and P&amp;R Committee agenda papers, (i.e. 1/2 payment schedules a month); invoices and payment schedule are vetted by Clerk; vetted by Council Vice Chairman and/or other authorised bank signatory and payment schedule signed; checked and countersigned by another bank account signatory; approved or otherwise by P&amp;R Committee or Full Council on the recommendation of the Vice Chairman or other authorised bank signatory.</p> <p>Currently during the Covid 19 Pandemic are checked online, via e mail, or through a visit at the Office. The document when considered via e mail is not signed but e mail confirmation of agreement with or without comments is accepted. During the time of irregular or no meetings the payment schedule was authorised for payment following the agreement as detailed previously. This procedure was agreed by all members.</p> <p>The Assistant Clerk and Finance Officer then inputs the online Bacs Transfer payments in the bank account and the Clerk authorises payment from the account. The Clerk and the Chairman checks and signs the bank account reconciliation statements comparing these documents to the payment schedule and where necessary to the original invoices.</p> <p>Additionally, regular weekly checks and monthly checks of the online bank accounts are made by the Clerk and Chairman respectively.</p>	Low risk due to checks built into the system.
	<p><u>Cheques.</u> All invoices are entered by the Assistant Clerk and Finance Officer and included on a payment schedule which is circulated with Council and P&amp;R Committee agenda papers, (i.e. 1/2 payment schedules a month); invoices and payment schedule are vetted by Clerk; vetted by Council Chairman or Vice Chairman;</p>	Low risk

	<p>approved or otherwise by P&amp;R Committee or Full Council on the recommendation of the Chairman or Vice Chairman; and if approved by the meeting, countersigned by another bank account signatory.</p> <p>During the current pandemic the procedures for approval as detailed for Bacs transfer is also relevant for cheques.</p> <p><u>Late payments</u> - Invoices that arrive at the office after the payment schedule has circulated normally have to wait until the next payment schedule. However, if a prompt payment is desirable, e.g. for a small business, then a late list of payments is prepared and tabled at the Council or P&amp;R meeting. All the standard checks for Bacs Transfer and cheques are followed except that members are unable to look at late payments before the meeting itself. As a <i>post facto</i> safeguard all the late payments are included at the beginning of the subsequent payment schedule.</p>	Low risk
	<p><u>Direct debit.</u> These are included at the end of each payment schedule. The originating invoice is vetted each time a payment is made by the Assistant Clerk and Finance Officer, Clerk, Chairman (Vice Chairman) and subsequently the Council or P&amp;R meeting. The disadvantage of direct debit is that all of the vetting etc. takes place after the event. However, this is the same downside as for all direct debits and is worth it for their extra convenience.</p> <p>During the current pandemic the procedures for approval as detailed for Bacs transfer is also relevant for direct debit.</p>	Low risk
	<p><u>Staff Wages.</u> Wages are calculated monthly by the Assistant Clerk and Finance Officer, and signed off by the Clerk, from annual rates agreed by the Council. Overtime is calculated by daily time sheets or regular overtime for maintenance staff or by claim forms for occasional overtime by office staff. All wages and time sheets are vetted in the same way as invoices and wage bills for individual staff members are shown at the end of the monthly cheque list. SAGE is used to calculate tax and NICS and Bacs transfer for the payment of salaries, tax and NICS.</p>	Low risk
	<p><u>Petty Cash.</u> Petty cash is used for small or urgent purchases, e.g. Kent Messenger (small), tools (urgent). Most goods and services are purchased on account.</p>	Low risk

	<p>Receipts are kept and purchases recorded in petty cash book with a running tally of the amount left. This cash book is subject to spot checks by all Councillors, and regular checks are made by the Chairman to ensure that short term loans are not being taken by Council staff. The receipts are vetted in the same way as invoices and the petty cash cheque to top up the float is included on the payment schedule.</p>	
	<p><u>Credit Card (£500 limit)</u>. Credit Card is used for small or urgent purchases. Most goods and services are purchased on account. Receipts are kept and purchases recorded in credit card book. This book is subject to spot checks by all Councillors, and regular checks are made by the Chairman. The receipts are vetted in the same way as invoices and the credit card direct debit which is taken out each month, paying off the total amount of purchases made in that period, and is included on the payment schedule.</p>	<p>Low risk</p>