

Financial Risk Assessment for Sheet Parish Council

No.	Internal Control Tests	Findings
1	Proper Bookkeeping	
1.1	Is the cashbook maintained and up to date? Format used?	Scribe accounting software is used for cashbook entries. Coding is applied for income and expenditure and is up to date.
1.2	Is the cashbook arithmetically correct?	The correctness of the cash book is proven by regular bank reconciliations.
1.3	Is the cashbook regularly balanced?	The bank reconciliation is carried out monthly and copies of the bank statement and the reconciliation are circulated to PC members to be approved at the monthly meetings. Quarterly reviews of actual - budget figures with notes on any variances are circulated and approved at Parish Council meetings.
2a	Standing Orders and Financial Regulations	
2.1	Has the Council formally adopted standing orders and financial regulations, & dates approved?	Yes - Standing Orders and Financial Regulations were updated, reviewed and approved at a meeting of the Parish Council on 24 th March 2025.
2.2	Has an RFO been appointed with specific duties noted in both contract & Financial Regs?	Yes – the Clerk is the RFO and specific duties and levels of responsibility are included within the Financial Regulations.
2.3	Have items or services above a de minimis amount been competitively purchased?	There is an emergency limit of £1,000 . For larger amounts of expenditure 3 quotes are obtained and large contracts are subject to normal tendering arrangements.
2b	Payments Controls	
2.4	Are payments in the cashbook supported by invoices, authorised and minuted?	All expenditure is supported by invoices, which are checked for accuracy (including VAT) and entered in the cashbook. Electronic payments by bank transfer are generally used to make payment. The details are checked and authorised by two councillors and are set up by the Clerk.
2.5	Has VAT on payments been identified, recorded and reclaimed? ?	Proper VAT vouchers are retained, and VAT is reclaimed annually or as required .

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2.6	Is s137 expenditure separately recorded and within statutory limits?	Section 137 payments are recorded within the Minutes and details are recorded in the accounts. These are within statutory limits.
3	Risk Management Arrangements	
3.1	Internal auditor scans the minutes to identify any unusual financial activity, projects, event etc.?	Minutes of Parish Council meetings are available via the website, and are checked by the Internal Auditor
3.2	Do the minutes record the Council carrying out any annual risk assessments? Play areas/BMX/Skateparks regularity of checks & documentation?	The Minutes record the outcomes of the quarterly play inspections carried out at the Recreation Ground. Weekly visual checks are carried out by Councillors at the BMX track - risk assessments and safety checks have been delegated to the User Group who have their own insurance cover.
3.3	Is insurance cover appropriate and adequate? Policy nos. & broker/company? FG cover level correct?	Insurance cover is held with Zurich (policy no YLL-2720448773) on a standard Local Council policy basis. The current policy is dated until 30.9.2026. Public Liability cover is £12m. The insurance cover is subject to constant review as and when required and was most recently approved by Council on 9 th September 2025.
3.4	Are internal financial controls documented and reviewed regularly?	A statement of Internal Controls is reviewed and approved annually.
4	Budgetary Controls	
4.1	Has the Council prepared an annual budget in support of its precept? Council minute & date?	The annual budget in support of its precept request is prepared each November/December and presented to the Parish Council for consideration. The budget for 26-27 is due to be approved at the December Parish Council Meeting.
4.2	Is actual expenditure against the budget regularly reported to the Council, examined for consistency & minuted?	The RFO presents a quarterly budget update summary to the Parish Council for approval.
4.3	Are there any significant and unexplained variances on budget?	The RFO will detail and explain any major variances.

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5	Income Controls	
5.1	Is income properly recorded and promptly banked? Yearly review of scale of fees?	<p>Cheques received are paid in to the bank promptly and recorded in the paying in book, and in the accounts. No cash is taken.</p> <p>Most income is paid via bank transfer and is appropriately recorded in the cashbook. Cheques are paid in by post and are appropriately recorded in the paying in book, and by voucher in the cashbook.</p>
5.2	Does the precept recorded in the cashbook agree to the DC's notification?	The two precept receipts for April and October are noted in the cashbook and any documentation for the Council Tax Support grant held on file.
5.3	Are security controls over cash adequate and effective?	No cash is taken
6	Petty Cash Procedures	
6.1	Is all petty cash spent noted in book / sheets with pro forma &/or voucher to support, esp. those with VAT? Imprest basis used?	No cash is taken
6.2	Is petty cash reported to each Council meeting?	/
6.3	Is petty cash reimbursement carried out regularly?	/
7	Payroll Controls	
7.1	Do staff salaries/wages paid agree with those approved & minuted by the Council (delegated to Staff Committee) & what is review frequency?	Staff salaries agree with the approved and minuted rates. A pay review is carried out annually.
7.2	Are other payments to the officers reasonable and approved by the Council?	There are a few receipted expenses paid to the Clerk separately to the monthly salary payment – usually these are refunds for small purchases made on behalf of the Council, e.g. stationery, postage costs. Appropriate invoices are produced, and the payments are reviewed and approved by the Council.

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7.3	Have PAYE/NIC/Pensions been properly operated by Council as an employer? Payment frequencies/method?	The Clerk uses HMRC basic PAYE tools to calculate PAYE and NIC Contributions. The RFO prepares the monthly payroll run. Payments are then made by bank transfer from the Current Account. PAYE and NIC are paid by BACS to HMRC by bank transfer.
8	Assets Controls	
8.1	Does Council keep an asset register of all assets owned incl. Serial nos.? Annual physical check noted?	A full asset register is maintained showing location, cost, and the year of purchase and insurance value.
8.2	Are the Asset/Investments registers up to date incl. disposals? Note all Investments held with a/c nos.	The asset register is maintained on a regular basis as required and approved by Council annually. The Insurance cover is updated regularly as items are purchased and at renewal.
8.3	Do asset insurance valuations agree with those in the asset register?	Insurance valuations are included within the statement of accounts each year. An annual inventory check of assets is carried out and the asset register updated as necessary.
9	Bank Reconciliation	
9.1	Is there a Bank reconciliation for each account held?	Yes – These are carried out by the Clerk for each bank account held and amounts cross-checked by the Council
9.2	Are Bank reconciliations conducted on receipt of Statements and with what frequency?	Yes - Monthly bank reconciliations of the accounts are prepared when the bank statements are received, or online statements produced.
9.3	Are there any unexplained balancing entries in any reconciliation?	No - Signed/dated, monthly reconciliations are held on file.
10	Year-end Procedures	
10.1	Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Receipts and payments basis.
10.2	Do the accounts agree with the cashbook codings?	Yes and the final accounts are agreed by the Internal Auditor
10.3	Is there an audit trail from underlying financial records to the accounts, for both receipts & payments?	Receipts are checked against invoices issued. Payments are backed up by the appropriate paperwork

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10.4	Are year-end, General & Earmarked reserves held at reasonable levels?	General and Earmarked reserves are reviewed and approved by the Council during the budgeting process and at end of financial year
11.	Review	
11.1	Is there an established process for the review of this document	A review of the Financial Risk Assessment will be undertaken annually along with other policies and regulations.

Approved by Sheet Parish Council - 9.12.2025.