**CHURCHILL PARISH COUNCIL**

# 1. FINANCIAL RISK ASSESSMENT

## Risk assessment of financial systems' internal controls for Churchill Parish Council 2026/27, prepared by the RFO December 2025

| No. | Internal Control Tests | Findings |
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| **1** | **Proper Bookkeeping** | |
| 1.1 | Is the Cashbook maintained and up to date?<br><br>Format used? | Scribe is now the new accounting system from 1.2.22.<br><br>The Council have added an Equals pre-payment card for online purchases and the cash book is set up on Scribe, the same principles regarding limits as per the financial regulations. A maximum of £300 is added to the card, (when the balance is near 0) to top up funds and approved at full council |
| 1.2 | Is the cashbook arithmetically correct? | The current cashbooks are analysed into Budget head codes for both receipts and payments. |
| 1.3 | Is the cashbook regularly balanced? | The Cashbooks continues to be balanced monthly by Parish Clerk/RFO and confirmed by full Bank Reconciliations. These reconciliations are checked on a quarterly basis by a member of the Finance & Personnel Committee. |
| **2a** | **Standing Orders and Financial Regulations** | |

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| 2.1 | Has the Council formally adopted Standing Orders and Financial regulations, & dates approved? | Standing Orders were reviewed and approved by the Parish Council on 10th September 2025<br><br>Revised Financial Regulations were reviewed and approved on 10.9.25. |
| 2.2 | Has an RFO been appointed with specific duties noted in both contract & Fin./Regs? | The Responsible Finance Officer (RFO) and the duties are detailed in both Contract of Employment and Financial Regulations. |
| 2.3 | Have items or services above a de minimis amount been competitively purchased? | The Parish Clerk has a £500.00 power for emergency needs. Where possible the Parish Clerk will obtain one quote from Suppliers/Contractors for items up to £1000, providing there is budget provision and in consultation with the appropriate Committee Chairman.<br><br>Where the value is above £1000 and is below £1999, the relevant Committee can order goods and services providing there is budget provision. Contracts exceeding £1999 shall only be awarded by Full Council and the Parish Clerk will strive to obtain three value for money quotations.<br><br>A £5000 - £24,999 level applies for obtaining three tenders for project work. Where contracts are awarded over £25,000 the Council will comply with the defined procurement regulations set out by the Public Contracts Regulations 2015 and the Public Contracts Directive 2014/24/EU and a minimum of three Contractors will be invited to tender for the work. |
| **2b** | **Payments Controls** | |
| 2.4 | Are payments in the Cashbook supported by invoices, authorised and minuted? | Proper invoices support all payments. Monthly payment schedules are prepared by the RFO for the Parish Council meeting. This is approved and details will be noted in the Minutes for the meeting. Currently 2 Councillors (from 6 mandated) |

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| | | sign cheques and initial stubs/approve payments at the Parish Council meeting, or, authorise all payment arrangements in writing having seen all invoices and payment arrangements by BACS/Electronic transfer. The Chairman of the Council does the 3 monthly audit check. |
| 2.5 | Has VAT on payments been checked, recorded and reclaimed? Frequency, & refunds into which A/c? | Yes – copies of VAT reclaims held on file. Currently 12 monthly basis looking at completing online claims in future. Refunds are to be paid into main current account which is Unity Trust. The RFO will claim all VAT for 2025-26 in April/May 2026. |
| 2.6 | Is S.137 expenditure separately recorded & in limit? | £1500 S137 expenditure has taken place.<br><br>Section 137 amount for 2025/26 published as £11.10 per elector |
| **3** | **Risk Management Arrangements** | |
| 3.1 | Does a scan of the Minutes identify any unusual financial activity, projects, events etc.? | All projects and events are risk assessed in each financial year and minuted accordingly by Council. |
| 3.2 | Do the Minutes record the Council carrying out any annual risk assessments? Play areas/BMX/skateparks regularity of checks & documentation? | Annual play inspections have been carried out by the qualified inspector employed by GB Sports Ltd, and each inspection report is fully documented, and details presented to the Leisure Committee members.<br><br>Tree work inspection was carried out by All Tree Ltd in March 2023.<br><br>Play areas sites are inspected quarterly by GB Sports Ltd and these inspections are formalised with quarterly submissions of signed inspection sheets to the Parish Clerk. The Parish Clerk however will be informed immediately if there are any risks from the inspections that need to be actioned. In addition, the Parish Clerk visits |

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| | | the play area sites at least once per week to check the area for obvious damage / danger and logs these visits.<br><br>Weekly checks carried out by the Parish Clerk, Quarterly Safety Inspections by Qualified Persons (GB Sports), Annual Inspection carried out a by Qualified Inspector. |
| 3.3 | Is insurance cover appropriate and adequate? Policy nos. & broker/company? Fidelity Guarantee cover level correct? | Standard local council policy held with Zurich policy number YLL 2720446933 dated 01 June 2025. Fidelity Guarantee cover showing £250,000. |
| 3.4 | Are internal financial controls documented and reviewed regularly? | The initial risk assessment for financial systems' internal controls was prepared for 2025-26 and is updated annually. – This assessment will be reviewed and approved by the Parish Council. |
| **4** | **Budgetary Controls** | |
| 4.1 | Has the Council prepared an annual budget in support of its precept? Council Minute & date? | The RFO prepares the draft budget for the Parish Council each November which is ratified and minuted each January. NSC is then notified of precept requirements by end of January. The Council approved the 2025/26 precept of £130466 at the Parish Council meeting on 13th January 2025 (minute reference 25/FC1F). The precept was notified to NSC on the 15th January 2025 and receipt acknowledged.<br><br>The provisional request for 26-27 will be an increase of % on last year and will be discussed at the Parish Council meeting on 12.1.26. |

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| 4.2 | Is actual expenditure against the budget regularly reported to the Council & minuted? | Budget to actual comparisons is reviewed quarterly. A report is taken to the Parish Council for information and appropriate action is taken by the Parish Council if required |
| 4.3 | Are there any significant and unexplained variances on budget? | A process is in place to report significant variations whereby the RFO will inform the Parish Council of large variations. Any action required will be approved by the Parish Council. |
| **5** | **Income Controls** | |
| 5.1 | Is income properly recorded and promptly banked? | Income sources from Burial Ground, Ground Rent, Grant payments, Interest from Investments, VAT refunds, Precept payments, Allotment rent and water payments and Wayleaves are correctly banked. |
| 5.2 | Does the precept recorded in the Cashbook agree to the DC's notification? Yearly review of scale of fees? | Yes.<br><br>It was noted that fees for Allotment Plots were reviewed by the Open Spaces & Allotments Committee in February 2025. The next review is January 2026.<br><br>Burial fees were reviewed May 2025<br><br>Precept will be paid in 2 instalments to Unity Trust bank in April and September 2026. |
| 5.3 | Are security controls over cash adequate and effective? | Very infrequent cash received. (No cash received in the Financial Year 2025 – 26) None anticipated 2026-27 |
| 5.4 | Are Allotment and burial fees reviewed? | Yes they are reviewed annually. |

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| 5.5 | Emergency Financial Pressure | Should the Parish Council face nonpayment of precept the Council would call an emergency meeting to discuss the priorities of the Council in relation to the funds available. |
| 5.6 | Long term sickness of the clerk | The Council have an employment contingency to cover locum expenses In the event that the clerk is on long term sickness or injury. |
| **6** | **Payroll Controls** | |
| 6.1 | Do staff salaries/wages paid agree with those approved by the Council & what is review frequency? | The Parish Clerk has been employed by the Parish Council as Clerk since July 2021 and was employed for 24 hours per week. The Clerk has taken on an additional 6 hours as RFO since February 2022. The Parish Clerk is currently paid by electronic transfer. Her annual appraisal take place in July-September each year.<br><br>PATA Payroll carry out all Payroll processing for Churchill Parish Council from 1.2.2022.<br><br>The Parish Council use the NEST pension scheme for the Parish Orderly and the Avon Local Government Scheme for the Parish Clerk. PATA Payroll process the pension payments and submit the schedules to NEST and Avon Pension Scheme is submitted via the RFO. Both employees have the same contributions from Churchill Parish Council, and this has been offered to its employees to fulfil the requirements of the Auto Enrolment Legislation. |
| 6.2 | Are other expenses to the Clerk/staff reasonable and approved by the Council? | Car mileage is paid to Parish Clerk and staff and also administrative expenses are paid for Parish Council administration whilst working from home. Expenses are listed on payment schedule for approval by Full Parish Council. |

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| 6.3 | Have PAYE/NIC/ Pensions been properly operated by Council as an employer? Payment frequencies/method? | PATA Payroll process the monthly payroll information enabling processing of Monthly payments made to HMRC for PAYE and National Insurance Contributions by the Council. |
| **7** | **Assets Controls** | |
| 7.1 | Does Council keep an Asset Register of all assets owned incl. serial nos.? Annual physical check noted? | A list of the assets for the Parish Council is recorded on a spreadsheet. The insured value of assets is now recorded in a separate column to enable proper reconsideration during the annual Insurance cover, renewal process. |
| 7.2 | Are the Asset/Investments Registers up to date, incl. disposals? Note all Investments held with a/c nos. | Yes. Asset Register showed all of the current asset items and was reviewed in May 2025 by the RFO and was presented to the Full Council in May 2025. This process will be repeated in May 2026. |
| 7.3 | Do asset insurance valuations agree with those in the Asset Register? | Yes, Asset Register shows original cost of asset and Insured value updated by inflationary indexing, assets bought during the year are added. This was approved at the meeting on 12th May 2025 and will be reviewed in May 2026. |
| **8** | **Bank Reconciliation** | |
| 8.1 | Is there a Bank reconciliation for each account held?<br>Note each A/c with bank/branch & a/c no. If relevant,<br>review Money Market transfers & documentation. | Yes, Unity Trust Account 20454283 was opened in February 2022, other HSBC accounts closed. An additional current account with Arbuthnot Latham was opened 1.4.23 and a savings account with the same bank. The savings account reached full term on 31.8.24 and the deposit account transferred to the Arbuthnot Latham current account on the same date.<br>A CCLA public sector deposit account was set up on 20.12.24 and will be the main savings account for the Council. |

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| 8.2 | Are Bank reconciliations conducted on receipt of statements & with what frequency? | All bank accounts are reconciled monthly on receipt of statement. |
| 8.3 | Are there any unexplained balancing entries in any reconciliation? | No, all entries were recorded correctly in the Cashbook. |
| **9** | **Year-end Procedures** | |
| 9.1 | Are Year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis? | Receipts and Payments basis. |
| 9.2 | Do the accounts agree with the cashbook codes? | Yes, end of year 2024/25 balances confirm that entries made in the cash book are accurate and agree to all bank accounts held by the Parish Council. |
| 9.3 | Is there an audit trail from underlying financial records to the accounts, for both receipts & payments? | Yes, cross-referencing by cheque payments using cheque numbers / BACS payments slips, and bankings using paying in slip details to show in the cash book with separate analysis of budget heading for budget monitoring purposes. |
| 9.4 | Where appropriate, have debtors and creditors been properly recorded? Are the year-end, General and Earmarked reserves held at reasonable levels? | No Debtors and Creditors information shown for the financial year 2024/25, as done on a receipt and payments accounts basis.<br><br>Ensure adequate levels of reserves are available throughout the budget setting process.<br><br>The Parish Council has a reserves policy.<br><br>Ear Marked Reserves are as follows:<br><br>Elections 208.00 |

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| | | The Hand Project 34.71<br><br>Wall repairs 5,000.67<br><br>Turnpike Cricket net 750.00<br><br>Sports Facilities 15,000.00<br><br>Homes England Grant (restricted) 15,580.65<br><br>CIL (restricted) 136831.71<br><br>Employment Contingency 5500.00<br><br>Community/Recreation Funds 40,000.00<br><br>Consultancy Reserve £1000<br><br>S106 funds 500.00<br><br>Youth Development 10000.00<br><br>Play Equipment 1000.<br><br>As at 5.1.26 the Earmarked Reserves were 231405.74<br><br>General reserve 84272.85<br><br>**The Council will strive to achieve 6 months general reserve, however this will take time to achieve as the Council agreed that the increase on the Precept of** |

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| | | **7% was appropriate for residents during this time as the cost-of-living increases.**<br><br>**The reserves were discussed at the time of the budget and precept request.** |

| **Action Plan for Recommendations** | | | |
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| **No.** | **Recommendations** | **Actioned by** | **Date** |
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Signed S Diaz, Clerk/RFO Date 5.1.26