

Irton Parish Council

irtonparishcouncil.org.uk

FINANCIAL RISK ASSESSMENT

Certainty of Income

- Income to the Council carries a high degree of certainty, with approximately 85% derived from the precept (local taxation), which is set by the Council.
- Additional income is received under the Model Agreement with North Yorkshire Council and from VAT Refunds claimed from HMRC.
- The Council does not rely upon commercial income from sources such as property rentals or user fees, considered to be less reliable.

Ability to Meet Financial Obligations

- Contractual Obligations:
 - Employment contract for the position of Clerk and Responsible Financial Officer.
 - Verbal contract with North Yorkshire Council for grass cutting services.
- Statutory Obligations:
 - Registration with the Information Commissioner's Office (ICO)
 - Retention of appropriate insurance.
- The contractual and statutory obligations listed above are covered by the precept.
- All other Council expenses are discretionary.

Risk Mitigation

- The Council maintains reserve funds of no less than 9 months of planned expenses for the fiscal year to mitigate cash flow issues and to provide for unplanned expenses.
- The Council retains insurance coverage for unforeseen liabilities and losses, including but not limited to public liability, employer's liability and property damage. The insurance policy is reviewed annually to ensure adequate coverage.

Financial Controls

- The Council reviews and adopts the Financial Regulations annually and agrees to operate in accordance with them.
- The Council has established a bank mandate, with two signatories required for changes.
- The Council does not handle cash or make cash transactions. All payments are made by online banking (BACS), direct debit or debit cards with supporting invoices or receipts.
- Bank statements are reconciled monthly, and expenditures are recorded against the approved annual budget.

- All expenditures are subject to approval of the full Council, with meetings held bi-monthly.
- The Council adheres to the financial reporting requirements for “Smaller Authorities”, including completion of an independent audit and Annual Governance and Accountability Return (AGAR).

Financial Transparency

- The Council is committed to full financial transparency with the following documents available on the Council’s website:
 - Financial Regulations
 - Summary of Insurance Coverage
 - Bank Reconciliation (updated monthly)
 - Budget and Reserves (actuals updated monthly)
 - Expenditures Over £100 (updated monthly)
 - Accounts Passed for Payment (included with bi-monthly meeting minutes)
- Annual Governance and Accountability Returns (AGARs) and Expenditures Over £100 for the preceding three (3) fiscal years are also published on the Council’s website.

The opinion of the Council is that financial risk is very low, and that adequate mitigation and controls are in place.

Signed

Chairman of Irton Parish Council

Date