

BLYTHBURGH with BULCAMP & HINTON Parish Council

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Financial risk Assessment and Management

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff action
Misappropriation of funds	Access to / Control of funds	L	<ul style="list-style-type: none"> Cheques require two signatures from mandated members of the Parish Council.. 	Councillors Signatures
			<ul style="list-style-type: none"> Cheques stubs must be initialed by the two signatories when signing cheques 	Councillors Initials
			<ul style="list-style-type: none"> Invoices must be initialed by the two signatories when signing cheques. 	Councillors Initials
			<ul style="list-style-type: none"> Bank Statements sent to Clerk 	Bank Reconciliation presented at each meeting & statements signed by Member
			<ul style="list-style-type: none"> Bank statements to be reviewed / considered by member. If no issues arising statement to be initialed by member and returned to Responsible Finance Officer. 	Councillor to check and initial bank statements
			<ul style="list-style-type: none"> Cashbook maintained by Responsible Finance Officer 	RFO to maintain cashbook

			<ul style="list-style-type: none"> Financial transactions / receipts maintained by Responsible Finance Officer. 	RFO to maintain financial records
			<ul style="list-style-type: none"> Accounts presented at each Parish Council Meeting. 	Clerk to present accounts
			<ul style="list-style-type: none"> All expenditure discussed, agreed and minuted at Parish Council Meetings. 	Councillors to agree expenditure
			<ul style="list-style-type: none"> Responsible Finance Officer to record minute number on cheque stub and invoice 	RFO to maintain financial records
			<ul style="list-style-type: none"> Internal audits performed as required. 	RFO to prepare Audits for Council agreement
			<ul style="list-style-type: none"> Full Minute – RFO follow up 	Diary
Precept	Not submitted	L	Confirm receipt	Diary
	Not paid by DC	L	Quarterly review of budget to actual	Diary
	Adequacy of precept	L	Cash handling is avoided, but where necessary – appropriate controls are in place	Annual review of documented controls
Other income	Cash handling	L	Segregate duties. Check to bank statements. Regular bank reconciliations	Member to verify reconciliations
	Cash banking	L	Clerk/RFO check as required	Diary
Grants	Claims procedure	M	Clerk/RFO check as required	Diary
	Receipt of grant when due	M	Clerk/RFO check as required	Diary
Investment Income	Receipt when due	L	Review levels and annually + investment policy	Diary
	Surplus funds	L	Check salary to minute, check hours and rate to contract	Member to verify
Salaries	Wrong salary/hours/rate paid	L	Check to PAYE Calculations	Member to verify
	Wrong deductions – NI and Income tax	L	Follow up on all orders	Approval check
	Goods not supplied to Council	L	Check arithmetic on invoices and perform bank reconciliations on monthly basis.	Member to verify

Direct Costs and overhead expenses	Invoice incorrectly calculated or recorded	L	Two Signatory initials Stub & Voucher	Approval check
	Cheque payable is excessive or to wrong party	L	Minute council agreement with the power used to authorize payment	Member to verify
Grants & support	No power to pay or no evidence of agreement of Council to pay	M	Agree and document any reasonable conditions	RFO check
	Conditions agreed	L	RFO check and consider budget	RFO verify
Election Costs	Invoice at agreed rate	L	All items in cash book lists	RFO verify
VAT	VAT analysis	L	Consider annually	RFO verify
	Charged on sales	M	Consider all items per cash book lists	RFO verify
	Charged on purchases	L	Agree returns submitted	RFO verify
	Claimed within time limits	M	Consider at Budget setting	RFO opinion. 3 year plan
Reserves - General	Adequacy	L	Consider at Budget and review of final accounts	RFO opinion
Reserves – Earmarked	Adequacy	L	Review minutes	RFO/member view
	Unidentified Earmarked or Contingent liability	L	Annual inspection, update insurance and asset registers	Diary
Assets	Loss, Damage etc	M	Review adequacy of Public Liability Insurance	Diary
	Risk or damage to third party property or individuals	M	Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate.	RFO/member view
Staff	Loss of key personnel (Clerk)	L	Fidelity Guarantee value appropriately set	Council to review annually
	Fraud by staff	L	Review adequacy of Insurance cover	Diary

Loss	Consequential loss due to critical damage or third party performance	L	Annual maintenance inspection	Diary
Maintenance	Reduced value of assets or amenities - loss of income or performance	M	Educate Council as to their legal powers	Diary
Legal Powers	Illegal activity or payment	H	RFO/ clerk check regularly + internal audit review	Diary
Financial Records	Inadequate records	L	Review at following meeting	Diary
Minutes	Accurate and legal	L	Declarations of interest to be documented/ minuted and any conflict addressed as appropriate	Diary
Members interests	Conflict of interest	M	Check data held is for lawful purposes, relevant, up to date, accurate, required and held securely	Clerk – Data audit and management Members - Annual review of Policy
General Data Protection Regulation	Data breach	H		

Note: This risk assessment must be reviewed and adopted by the Parish Council annually during the financial year and before 31 March.