

BENGEO RURAL PARISH COUNCIL – RISK ASSESSMENT – MANAGEMENT (FINANCIAL)

Risk assessment and management (financial) for the period 1 April 2023 to 31 March 2024

The risk management procedures, as documented below, were confirmed to be in practice by the Internal Auditor on (date)

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff action
Precept	Not submitted	L	Full Minute – RFO follow up	Diary – confirmation provided at the next meeting of action.
	Not paid by DC	L	Confirm receipt	Diary – confirmation at the next meeting payment has been made. Also visible on finance sheet.
	Adequacy of precept	H	Quarterly review of budget to actual	Diary. Spend to date standing item on the agenda.
Other Income	Cash handling	L	Cash handling is avoided, but where necessary – appropriate. Controls are in place.	If cash given to the Parish Council, it is done at a Council meeting and the amount confirmed with the person and noted in the minutes.
	Cash banking	L	Segregate duties. Checks to bank statements. Regular bank reconciliations	Member to verify reconciliations taking place. Finance sheets separates income and expenditure.

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff action
Salaries	Wrong salary/hours/rate paid	M	Check salary to minutes, check hours and rate to contract.	Member to verify
	Wrong deductions – NI and Income tax	M	Check to PAYE Calculations	Member to verify. Payroll to be outsourced.
Direct Costs and overhead expenses	Goods not supplied to Council	M	Follow up on all orders	Approval checks.
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and perform bank reconciliations on monthly basis	Member to verify. Standing item on the agenda.
	Electronic payments made to wrong bank account / supplier.	M	Only Chair can currently make payments on the account and online verification takes place.	All payments are notified to the RFO until RFO can gain access to account. All payments are matched to relevant invoice.
VAT	VAT analysis	M	All items included on the finance sheet / cash book.	RFO verify. VAT element on each applicable purchase shown on the finance sheet accordingly.
	Charged on purchases	L	Consider all items on the finance sheet / cash book lists	RFO verify VAT elements on each purchase and shows the amount separately on the finance sheet.
	Claimed within time limits	M	Agree returns submitted	RFO verify and submits claims at least twice each financial year. Amounts and invoices claimed are as per finance spreadsheet.

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff action
Assets	Loss, Damage etc	M	Annual inspection, update insurance and asset registers	Diary
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Diary
Staff	Loss of key personnel (Clerk)	L	Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate	RFO/member view
	Fraud by staff	L	Fidelity Guarantee value appropriately set	Council to review annually. Payments controlled RFO and Chair.
Loss	Consequential loss due to critical damage or third party performance	L	Review adequacy of Insurance cover	Diary
Maintenance	Reduced value of assets or amenities – loss of income or performance	M	Annual maintenance inspection	Diary
Legal Powers	Illegal activity or payment	H	Educate Council as to their legal powers	Diary
Financial Records	Inadequate records	L	RFO/clerk check regularly + internal audit review	Diary
Minutes	Accurate and legal	L	Review at following meeting	Diary, standing item on agenda.
Members interests	Conflict of interest	M	Declarations of interest to be documented/minuted and any conflict addressed as appropriate	Diary, noted at each meeting.

Reviewed and adopted on: _____

Note: Risk assessment must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.