

BENHALL AND STERNFIELD PARISH COUNCIL – FINANCIAL RISK ASSESSMENT

HAZARD	RISK (H, M OR L)	IMPACT (H, M OR L)	CONTROLS	ADDITIONAL ACTION
FINANCIAL:				
Incorrect salary or Income Tax paid	L	H	Salaries reviewed annually and approved by full Council. Timesheet records maintained by RFO. SALC calculate salary and Income Tax payable and produce the payslips	
Loss through theft, dishonesty, critical damage or third party dishonesty	L	H	Insurance cover reviewed annually. Fidelity guarantee insurance reviewed annually.	
Inadequate record keeping	L	H	A cross referenced record of every transaction is entered onto an Excel spreadsheet and backed up. Six-monthly internal audit. Bank reconciliation checked and signed off against HSBC statement and IBS book by Parish Councillor before each Council meeting. Clerk and RFO have back up arrangements in place	
Weak or ineffective financial control system	L	H	A budget is prepared and approved by the council annually. Spend against budget is reported at each Parish Council meeting. Finance Committee monitors budget.	
Breach of authorisation procedures for expenditure	L	M	All payments made in accordance with Financial Regulations. Competitive tenders sought (where reasonably practicable) if cost exceeds £100. Minimum of two signatures required for all cheques. All financial movements reported at every Council Meeting. Schedule of regular payments agreed by full Council at the beginning of the Financial Year.	.
Inadequate financial forecasting and budgeting	M	M	Councillors' expenditure plans are requested in September. Forward expenditure budget is approved in November. Precept is set in January. Maintain open discussion for future plans and budget accordingly.	
Inadequate precept income	L	H/M	Budget and forecasts as above. Clerk requests precept in January.	

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Inadequate funds in HSBC account	H	H	Balance checked regularly by RFO and Clerk informed if balance too low.	
Failure to request or receive precept monies from SCDC	L	H	Clerk to check precept received on time. If not paid Clerk to follow up with support of Finance Committee.	
Poor or inadequate management accounts	L	L	Expenditure and Income reported at each Council Meeting together with 'current spend against budget'	
Breach of reporting requirements in audit	L	L	Internal and External audits carried out in accordance with BDO instructions and briefing notes. Clerk and RFO to be up to date with changes to legislation and procedures, 'as far as is reasonably practicable'.	
Capital expenditure not planned	L	M	Plan and budget as above. Any forecast capital expenditure to be discussed at Council meetings	
Lack of a reserves policy	L	M	There is a minuted policy to keep a minimum reserve of £5K. Review the policy and reserve annually in November at budget setting meeting.	
Unplanned expenditure	L	M	Unplanned and/or unexpected expenditure to be discussed and approved by the full Council. Keep a reserve fund for such contingencies.	
Lack of proper accounting for all council property	L	L	Asset Register maintained, and reviewed annually.	
Inadequate insurance cover – statutory, 3 rd party & public liability, employee, assets	L	H	Insurance cover reviewed annually by the Finance Committee to ensure that it is adequate and meets the needs of the Parish. Fidelity Guarantee Insurance cover reviewed by RFO annually once Precept agreed.	
Unauthorised access to HSBC and IBS accounts	L	H	On line access to HSBC limited to RFO and one other councillor (who will be the bank nominated Prime User). Authorisation to change signatories or move money out of IBS requires two signatories – the Clerk and Chairman.	

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VAT not recovered	L	H	VAT payments recorded in spreadsheet. VAT claimed when over £100 or at the end of the financial year if less than £100. VAT receipts included in management accounts provided to the Council. VAT records submitted to Internal Auditor at year end	
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Completed by: Carol Durrant

Reviewed by Finance Sub-Committee: 14th February 2017

Assessment completed: 23rd February 2017 Reviewed 22nd February 2018

Review date: February 2019