

Fulking Parish Council Financial Risk Assessment

Purpose of the Document

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:-

- Identify the areas to be reviewed
- Identify what the risks might be. Assess the level of risk. High=5 Low=1
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise if required.

Area	Risk Identified	Risk Level	Management/Control of Risk	Action Required
Precept	Adequacy of Precept	2	PC has regular budget information. Estimates prepared and Precept agreed by Full Council. Precept requested in writing	None
	Non receipt of Precept	1	Clerk to chase as soon as it is overdue	None
Financial Records	Inadequate records. Financial irregularities.	2	Financial Regulations set out what is required. Financial records kept by Clerk. Internal audits annually. End of year audit undertaken by audit commission.	Review Financial records when necessary.
Banking	Loss of cheques.	1	Cheques received and banked promptly by Clerk. (If applicable). Monthly statements are checked on receipt by Clerk.	None
	Bank mistakes	1	Banks make occasional errors in processing cheques, this would be discovered when the Clerk reconciles the bank accounts and dealt with immediately.	None
Cash/Petty Cash	Fraud	2	No cash received	N/A

Area	Risk Identified	Risk Level	Management/Control of Risk	Action Required
Financial Reporting	Information Communication	1	A monitoring statement is produced regularly before each council meeting. This statement includes bank reconciliation, budget update and a breakdown of receipts and payments.	None
Direct costs & expenses	Incorrect invoicing. Incorrect cheque for payment	1	At each council meeting a list of invoices awaiting payment is distributed to members. A list of all cheques paid is presented at PC meetings. Cheques are checked by councillors against invoices and signed by two signatories. Counterfoils are also signed by two signatories. Vice Chair or other councillor (as a non-signatory) to check bank reconciliation and sign both this and the bank statements as verification.	None
Best Value/ Accountability	Overspending	3	Three quotes should be obtained where possible.	See Financial Regulations. Reviewed Annually
Charges payable	Payment of charges	1	Charges of lease of land paid annually on receipt of invoice (NTF)	None

Area	Risk Identified	Risk Level	Management/Control of Risk	Action Required
Clerk	Fraud	1	Clerk should be provided with the relevant training, access to assistance and legal advice.	Review regularly
Salaries & expenses	Incorrect rate paid.	1	Only one employee- The Clerk /RFO. Salary agreed at commencement of employment. Timesheet produced for records. Contract of employment supplied.	Annual salary review. Annual Appraisal.
	Expenses over claimed.	1	All expenses claimed to be supported by receipts	
	NI and tax not paid	1	Salary under Tax and NI bracket for clerk (if only employment).	
VAT	Not Reclaimed	1	Vat to be claimed yearly as stated in the Financial Regulations, unless directed otherwise by the Parish Council.	Review yearly

Election Costs	Risk of an Election Cost	2	Risk is higher in an election year. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures that can minimise the risk of having a contested election. A contingency fund should be established to meet the costs.	Existing procedures adequate. Include in Financial statement when setting precept.
Area	Risk Identified	Risk Level	Management/Control of Risk	Action Required
Annual Return	Submit after the time limits.	1	Annual return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent to the external auditor within the time limit, to avoid penalties	Existing procedure adequate.
Insurance	Adequacy of Insurance Cost Compliance	1	An annual review is undertaken (before policy renewal time) of the insurance arrangements in place.	Existing procedures are adequate. Review provision and compliance annually.

The information above was agreed at the Parish Council Meeting on _____ and will be agreed annually as being a correct record.
Signed:

Chairman

Date

Clerk

Date

Last updated October 2016