

BARDNEY GROUP PARISH COUNCIL - RISK ASSESSMENT FORM

RISK ASSESSMENT OF	FINANCIAL RISKS
CARRIED OUT BY	Responsible Finance Officer/Clerk
DATE	05-03-21
REVIEW DATE	03-03-22

ACTIVITY	HAZARD IDENTIFIED.	CONTROLS IN PLACE	RISK LEVEL L/M/H	FUTURE ACTIONS	COMPLETION DATE	RESPONSIBLE PERSON	DATE ACTIONED
UNEXPECTED ELECTION	Election costs not budgeted for. Expenditure on other items stopped to cover.	No elections held for 5 years. Money held in contingency to cover	L	Existing procedure adequate.			
VAT RECLAIMING	Not reclaimed or reclaimed incorrectly. Audit enquiry.	VAT reclaimed every 3 months. All o/s VAT receipts chased by RFO monthly. VAT paid recorded for each transaction	L	Procedures adequate Now reclaim more often			
ANNUAL RETURN (ACCOUNTS)	Not submitted with time limits. Audit enquiry. Lack of public confidence. Disciplinary proceedings.	RFO completes annual return correctly and within timescales. All paperwork kept upto date to ensure accuracy of data and annual return Information read on Annual Return to be read carefully If timescale cannot be met - extension is requested. Annual return open for public inspection.	L	Records updated on a monthly basis			
ANNUAL RETURN (PAYE/NI ETC)	Not submitted within time limits. Fine/penalty for Parish Council. Due to 2 signatories and RFO only 1 day per week wages to be actioned for payment by BACS on 24th requires Sage instruction, HMRC tax month after 22nd	Sage Instant Payroll used HMRC contacted regularly to address any queries/check upto date	L	Paying HMRC later in month appears to have addressed the problem as well as amending SAGE Pay set up			

ACTIVITY	HAZARD IDENTIFIED.	CONTROLS IN PLACE	RISK LEVEL L/M/H	FUTURE ACTIONS	COMPLETION DATE	RESPONSIBLE PERSON	DATE ACTIONED
BUDGET PRECEPT	Incorrect financial information given to Cllrs/public. Projects stopped. Lack of morale/public confidence. Resignations. Audit enquiry. Disciplinary proceedings.	Monthly budget reported to Council and minuted. Any discrepancies noted/rectified Accuracy of invoicing and payments made. Accurate costings. RFO & clerk has authority to vire between budget heads as necessary to avoid over spending. Precept meeting held annually to discuss detailed budget/amounts required. Documents available for public inspection. Expenditure monitored against budget	L	Existing procedure adequate.			
CASH HANDLING PETTY CASH MASTERCARDS	Theft of money/dishonesty. Lack of morale. Lack of public confidence. Resignations. Audit enquiry. Disciplinary proceedings.	Cheques banked weekly. Paying In book stubbs completed correctly Internal & external audits undertaken annually. Receipts for all cash payments made. Financial regulations in place, reviewed annually. All cash counted together by Clerk and RFO Cash then immediately banked and slip returned and shown to the other party. Cash book to be completed each time payment received or monies banked Minimum petty cash to retained - £20 - £30	L	No longer use FX card Petty cash also reduced due to COVID			
PAYMENT OF INVOICES	Theft of money/dishonesty. Lack of morale. Lack of public confidence. Resignations. Audit enquiry. Disciplinary proceedings.	Orders for payments must be signed by at least 2 signatories. The RFO/Clerk can not be a signatory. Record all invoices received. Note date of payments to ensure no duplications. All invoices to be attributed to relevant budget headings. Cheque book stubbs to be completed and signed	L	Procedures adequate Procedures require double checking by Clerk and Deputy Clerk prior to processing and payment made by two signatories			

ACTIVITY	HAZARD IDENTIFIED.	CONTROLS IN PLACE	RISK LEVEL L/M/H	FUTURE ACTIONS	COMPLETION DATE	RESPONSIBLE PERSON	DATE ACTIONED
ACCUSATION OF THEFT	Tribunal claims if falsely accused. Lack of morale Resignations. Grievance proceedings.	Signed receipt given for all cash payments. Financial regulations in place, detailing expenditure procedures reviewed at least annually. LALC/SLCC advisory services for any queries/issues. Bank reconciliation with cheque book and	L	Existing procedure adequate.			
BANKING	Loss of money. Bank mistakes. Inadequate checks.	Paying in book and statement Monthly bank reconciliation reports to council and minuted. Any discrepancies reported to bank immediately. Bank reconciliation statements available for public inspection.	L	Existing procedure adequate.			
THEFT	Threat to personal safety. Low morale. Resignations. Grievance procedures. Tribunal claims. EL Claims.	Cash banking times varied. Different banks used. Cash stored in fire safe. Key to safe removed when not in use. Employees trained to hand over cash if approached. Max £50 petty cash kept on site. All large amounts of cash in excess of £100 banked the same day.	L	Only Clerk and RFO have keys			
DATA PROTECTION	Non-compliance.	Parish Council registered for Data Protection with the Information Commissioner. Passwords on computer. Minimum access RFO & Clerk only	L	Procedures adequate			
FREEDOM OF INFORMATION	Non-compliance.	Model Publication scheme adopted. Reviewed annually.	L	Existing procedure adequate.			

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SALARIES	Wrong salary/hours/rate paid. False employee. Wrong PAYE/NI deductions.	RFO inputs salary payment requests for all employees. Two councillors have to authorise each payment online (checking accompanying documentation first) and are ratified via the payment schedule at each parish council meeting. All hours of work and rates of pay are agreed by full council.	L	Existing procedures adequate.			
INSURANCE	Items not covered/not adequately covered. Items under insured. Not able to claim. Loss of money.	Insurance reviewed annually and alternative quotes sought by RFO as appropriate. New items added to policy as purchased. Old items removed from policy when disposed of/sold.	L	Existing procedures adequate.			
COUNCILLORS/ EMPLOYEES ALLOWANCES/ EXPENSES	Councillors' overpaid. Incorrect mileage rate paid. Mileage over claimed/not due.	Standing Orders/Financial Regulations Driving on council business policy. Mileage rates agreed by full council. No Councillors allowances paid other than Chairman's allowance - receipts/invoices must be forwarded to RFO prior to being authorised by full council. RFO to check and approve prior to being authorised by full council	L	Existing procedures adequate.			

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ACQUISITION OF GOODS AND SERVICES	Goods billed but not received. Invoices incorrect. Unpaid invoices. Items ordered incorrectly.	To comply with standards outlined in Standing Orders/Financial Regulations Financial Regulations & Procurement. Includes delegation arrangements for items for administration, parish office and delegated arrangements for authorising items for other members of staff. All other items authorised by full council. Invoices checked for accuracy upon receipt and any discrepancies notified and replacement invoices/credit notes requested. RFO to check all invoices/payment documentation prior to authorising. All payments listed and authorised by full council monthly. All invoices to pay internally numbered and monitored. Cross referenced on Bank Reconciliation	L	Procedures adequate recently improved			

RISK

L = LOW

M = MEDIUM

H = HIGH

No Action - Risk acceptable. Possible future action.

Moderate Risk - Reduce risk if reasonably practicable.

High Risk - Action required urgently.