

## OLD CATTON PARISH COUNCIL FINANCIAL RISK ASSESSMENT

	AIM	RISK	METHOD USED TO MINIMISE RISK	PERSON(S) RESPONSIBLE
1	To identify and regularly review the Council's priorities	Lack of knowledge of how to set objectives, set priorities and identify risks to their achievement	All Councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable	Chairman/Clerk
2	To ensure that all Councillors and employees are aware of their responsibilities and possible liabilities and to provide adequate insurance cover for all possible risks	Lack of knowledge of possible culpability of Councillors and employees	Refer to Standing Orders and familiarisation with those where greatest risk occurs. Adoption of Code of Conduct for all Councillors and Employees terms of contract	Councillors/Employees
		Lack of education of councillors regarding culpability	As above. Attend any training courses available, including induction/new councillor training	Councillors/Clerk
		Inadequate insurance cover taken out - property, personal liability, employer's liability. (Cover for material damage and all risks.)	Review risk assessment by including on agenda of Parish Council meetings on an annual basis	Clerk/Financial Officer/Councillors
3	To ensure compliance with the Acts of Parliament, Council's Financial Regulations and Code of Conduct	Lack of knowledge of regulations and codes	Ensure that Councillors have access to copies of relative Acts and receive their own copies of the Code of Conduct and Standing Orders. All new Councillors required to attend new councillor training/refreshers as required	Chairman/Clerk
		Review of Standing Orders	Ensure that Standing Orders are up to date, understood by Councillors and reviewed annually or as circumstances demand	Chairman/Clerk
		Actions by PC outside its powers laid down by Parliament	As above but ensure that Powers are highlighted or extracted into effective summary	Chairman/Clerk
		Lack of adherence to regulations and procedures	Reference to appropriate regulations as required	Chairman/Clerk/All Councillors
		Payments made without prior approval and adequate control	Ensure all payments are approved in Council meetings and recorded in minutes. Keep cash payments to a minimum and avoid if possible	Clerk/Internal Auditor
		VAT not properly accounted for, resulting in over-claims and large demands from Customs & Excise	Ensure appropriate publications are held and that Clerk has good knowledge of regulations	Clerk/Internal Auditor
4	To influence other council authorities and Government organisations to consider the views of the parishioners	Lack of effective lines of communication with other organisations	Note all essential or beneficial communication lines and make information available to all Councillors. Establish contacts by name and where possible face-to-face	All Councillors/Clerk

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		Lack of preparation on subjects requiring influence	Ensure all Councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion	Councillors/Clerk
5	To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail	Lack of knowledge of Council regulations and procedures  Late or non-submission of annual accounts  Year end accounts not prepared, inaccurate, or not in accordance with Council requirements  Inadequate audit trail from records to final accounts	Refer to Financial Regulations and Standing Orders. Attend training seminars where available  Refer to Audit Plan. Monitor progress against timetable and report to PC meetings  Internal audit checks.  As above	Clerk/Financial Officer/Councillors  Clerk/Financial Officer  Clerk/Financial Officer/Internal Auditor  Clerk/Financial Officer/Internal Auditor
6	To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate	Lack of knowledge of budgetary process, and Council regulations  Inadequate consideration of requirements for annual precept  Inadequate internal controls with regard to monitoring expenditure	Include regulations in Standing Orders issued to all Councillors. Delegate responsibility for managing budgetary process. As at 1 above. Involve all Councillors in budgetary process  Checks to be carried out regularly  As at 5 above	Clerk/Financial Officer  Clerk/Financial Officer/Internal Auditor  Clerk/Financial Officer/Internal Auditor
7	To keep appropriate books of account accurately and up-to-date throughout the financial year	Lack of knowledge of accounting requirements  Lack of commitment to accounting requirements  Inaccuracies in recording amounts, totals in books of account, and bank reconciliations  The most beneficial interest terms not being employed	Ensure all councillors are familiar with current financial regulations and include them in Standing Orders/Financial Regulations. Regularly review Standing Orders and Financial Regulations  As above. Financial Officer to produce financial reports monthly, internal audit reports to be made available to all Councillors and any recommendations to be acted upon promptly  Bank statements to be reconciled monthly. Financial Officer to ensure books of account are formatted in such a way that internal controls are included and activated. Six monthly audit carried out along with regular internal audit checks.  Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts	Clerk/ Financial Officer  Clerk/Financial Officer  Clerk/Financial Officer/Internal Auditor  Clerk/Financial Officer with Councillors

	AIM	RISK	METHOD USED TO MINIMISE RISK	PERSON(S) RESPONSIBLE
		Books of account not kept up to date/invoices not posted promptly	Regular checks by Financial Officer and Internal Auditor. Monthly financial reports	Clerk/Financial Officer
		Payments missed or delayed due to inadequate filing of invoices	As above	Clerk/Financial Officer
8	To ensure that payments made from council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the resident	Lack of knowledge of wishes of residents	Take every opportunity to publicise role of Parish Council. Promote Parish Newsletter. Effective use of Notice Boards and 'flyers'. Use key issues to raise profile of Parish Council and to test parishioners' views. Add social event to occasional meeting. Create Annual Parish Council report and put to parishioners for comment	Councillors/Clerk/Financial Officer
		Use of funds not in accordance with the wishes of the residents	Take into account the views of parishioners	Councillors/Clerk/Financial Officer
9	To explore all possible sources of income, and to ensure that expected income is fully received	Lack of knowledge of possible sources of income eg grants	Seek advice on grants available as appropriate	Clerk
		Receipts not banked or not banked properly	Regular checks carried out. Internal audit checks	Clerk/Financial Officer/Internal Audit
		VAT claims not made promptly or made incorrectly	Ensure Financial Officer keeps up-to-date with regulations. Regular checks carried out.	Control Officer/Internal Audit
		Tax and NI arrangements not in accordance with regulations	As above	Control Officer/Internal Audit
10	To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with council regulations, and adequately monitored	Inappropriate rate of pay to employees	Ensure employee regulations are available and understood by Clerk. Internal audit checks	Clerk/Financial Officer/Internal Audit
		Tax and NI arrangements not in accordance with regulations	As above	Control Officer/Internal Audit
		Amounts paid to contractors not in accordance with contract and inadequately monitored	Internal audit checks. Councillor to monitor contract work carried out as appropriate	Control Officer/Internal Audit
11	To identify, value and maintain all the assets of the Parish Council, and ensure that asset and investment registers are complete, accurate and properly maintained.	Lack of knowledge of assets of Parish Council	Ascertain and record all assets for which Parish Council is responsible. Maintain Asset Register	Clerk/Financial Officer
		Assets lost or misappropriated		

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		Inadequate or inaccurate valuation of the Council's assets  Asset Register not established or inadequately maintained  Damage to third party property or individuals as a result of Council providing services or amenities to the public	Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks  Asset Register regularly checked for accuracy  Public Liability Insurance held and reviewed annually. Regularly checks on assets carried out	Clerk/Financial Officer/Internal Audit  Clerk/Financial Officer  Clerk/Financial Officer/Councillors
12	To carry out adequate safety checks on all buildings, properties and equipment for which the Council is responsible	Lack of information on land, buildings and equipment  Lack of knowledge of safety requirements  Lack of commitment to carrying out safety checks	Include in Asset Register all assets for which PC is responsible. Ensure that electrical items are PAT tested  Ensure that all current legislation is complied with  As above. Delegate responsibility for particular properties/equipment to individual Councillors or working groups	Clerk/Councillors  Clerk/Councillors  Clerk/Councillors
13	To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children, etc	Lack of knowledge of applicable legislation  Failure to comply with applicable legislation	Clerk to know where to go for advice and training. Review liabilities and responsibilities periodically at PC meetings  As above	Clerk/Councillors  Clerk/Councillors
14	To ensure IT security for Clerk/Financial Officer	Inadequate safeguards to prevent viruses and other intrusions damaging Council documents  Loss of data  Inappropriate copying/use of data	Ensure regular virus protection up-to-date on all office PCs  Ensure monthly back-up of all Council documents  Comply with rules of Data Protection Act	Clerk  Clerk  Clerk/Financial Officer/Councillors

Reviewed 12/02/2018