

## Financial Risk Assessment

Topic	Risk Identified	Management of Risk
1. Payment of invoices	Cheque made out to wrong party or otherwise incorrectly completed	Two signatures required on cheque, each should check detail and initial invoice. Blank cheque must never be signed
2. Financial records	Financial records not properly maintained	Clerk/RFO prepares quarterly document reconciling accounts spreadsheets with bank statements. These details are checked by a councillor, reported to the council, and the overall financial position is discussed
3. Physical control of financial items	Cheque book, paying in book, deposit card, petty cash, keys and stamps could be stolen.	Clerk/RFO –these are kept in a filing cabinet at his/her home and maintain normal household security. Fraud covered by Fidelity Guarantee insurance.
4. Budgets	Council has not allowed sufficient funds to carry out its duties for the remainder of the financial year	Quarterly budget monitoring compares budget against actual for period covered by report.
5. Contracts	The Council may not be practicing best value techniques therefore not providing the best service for public funds	All annual contracts to be reviewed on a yearly basis using the principles of best value. For contracts over £1,000 a tendering process is carried out every three years.
6. Fraud	Misappropriation of cash/funds by Clerk or Councillor.	Controls on cheques as in 1 above and cash as in 3 above. Fidelity Guarantee insurance of £25,000.
7. Urgent Expenditure or late payment of accounts	Urgent item of expenditure cannot wait until next council meeting or invoice will result in council being surcharged for late payment or non-delivery of important goods if delayed until next meeting	The Clerk has delegated authority up to £500 regarding urgent items. With regards to invoices that would be subject to surcharge or non-delivery if payment were delayed, Clerk may seek payment provided he/she verifies invoice is correct. Matter must be reported to council at next meeting
8. Insurance	Council does not have adequate insurance to cover assets and liabilities or asset is not covered by insurance. This could result in financial loss or council being sued without adequate insurance protection.	Clerk to bring to attention of council need to insure new assets. Insurance cover to be reviewed annually prior to renewal date of policy.
9. Cover for work undertaken by contractors	Council receives a claim for injury or damage to property caused, or alleged to have been caused, by a contractor working on behalf of the parish council	The council must ensure before employing any contractor that the contractor has in place Public Liability insurance with a limit of indemnity of not less than £5,000,000.
10. Complying with changes in legislation	The council fails to keep up to date with changes in legislation or policy resulting in action being taken against it	The Clerk will endeavour to keep up to date with appropriate changes in legislation and procedures. The council will use the professional services of DAPTC (and/or SLCC if appropriate) to obtain maximum understanding of changes. Councillors and Clerk will attend applicable training events.