

Reed Parish Council Financial Risk Assessment

	Risk	Procedures to Address	Reassess/carry out
	Lack of general financial control		
1	Lack of responsible officer	Appointment of RFO	When Clerk resigns or when separate RFO necessary due to workload
2	Lack of Financial SOs	Produce Financial Standing Orders for Council to review and adopt	Annually
3	Lack of overview	Chairman's responsibility to check periodically Internal Auditor's report Regular reporting of Budget v. Actual to Council	Ongoing Annually Each meeting
4	Lack of Power to spend	Clerk to check Council spending within powers	Ongoing
5	Loss/destruction of financial documentation	RFO & Clerk or assistant to hold RFO to lock away cheque book	Ongoing Ongoing
6	Loss of computerised records	Back-up of computerised systems	Continually backed up on Cloud - OneDrive
7	Lack of skill in systems	Training for Clerk	As needed
	Accounting errors		
1	Incorrect data entry	Clerk or Assistant to enter on spreadsheet or computer software RFO to examine entries on schedule before submission to Council	Ongoing Monthly
2	Incorrect entries by Bank/RFO	Clerk to do bank reconciliation through software or manually	Monthly
3	Discrepancies in reports to Council	Statement of payments reported checked Chairman signatory	Bi - Monthly
4	VAT discrepancies	VAT reconciled to financial schedule VAT reclaimed annually	Monthly Ongoing
	Budget overspend		
1	Overspend against Budget	RFO to check sufficient funds available when expenditure incurred Budget v. actual examined	Bi-monthly

Misappropriation of public funds			
1	Expenditure without authority	Prior approval for spending authorised by Council .	Ongoing
2	Invoice payment without authority	All cheques to be listed on a schedule and authorised for payment by Council	Bi -Monthly
3	New cheque book misappropriation	Cheque books to be stored securely with Clerk	Ongoing
4	Cheque misuse	Cheques agreed against the approved schedule to be signed by two councillors. All signatories must initial the cheque stubs.	Ongoing
5	Incoming cash and cheque misappropriation	All cash and cheques to be stored securely and banked within 2 working days.	Ongoing
6	Theft of funds	Bank statements to be reconciled and signed off by Clerk. Ensure Fidelity Insurance in place against theft of funds by staff, councillors and other persons.	Monthly Reviewed annually
7	Electronic Payments (BACS/CHAPS) made without Council approval Incorrect electronic payment or amount made / No monitor on actual electronic entry	All BACS/CHAPS payments to be approved by Council prior to the payment being made. If a payment needs to be made outside of the meeting, then approval is to be sought from the Chair, with the decision and payment ratified at the next available Council meeting. Council uses the Barclays Bank's online "Dual Authorisation" facility, which requires that payments made from the account must be authorised by a second approver before being released to the payee. The inputter and the approver both check the electronic entry to ensure that it matches the approval list from the meeting.	Reviewed bi-annually
Under Insurance of Council Assets			
1	Level of cover inadequate	Reviewed by RFO in association with Council.	Annually and as necessary

2	Inadequate records of possessions	Asset Register maintained by Clerk and listed in Notes to the Accounts at Audit. Deeds and other legal documents relating to assets stored securely by Council's Solicitor.	Annually Ongoing
	Chairman's Signature Ken Langley Date 01.03.2023	Clerk's Signature Catharine Toms Date 01.03.2023	