

## Oxenhope Parish Council – Financial Risk Assessment

Subject	Risk	High (H) Medium (M) Low (L) risk	Control Measures	Comments
Precept	<p>Adequacy of precept</p> <p>Requirements not submitted to Bradford MDC in time</p> <p>Amount not received</p>	M	<p>Budget, including precept options, for next financial year presented at December Parish Council meeting.</p> <p>Clerk to ensure precept information submitted to Bradford MDC before deadline.</p> <p>As part of normal monthly financial information, the Parish Council will be informed when the precept is received (normally in April).</p>	Adequate control measures in place
Financial Records	<p>Inadequate records</p> <p>Financial irregularities</p>	M	<p>Financial Regulations reviewed annually and updated when required. Systems of internal control in place.</p> <p>Review of financial systems as part of Annual Governance and Accountability Return (AGAR).</p> <p>Internal audit report presented to Parish Council meeting.</p> <p>All accounts are available for public inspection.</p>	Adequate control measures in place
Bank and Banking	<p>Inadequate checks</p> <p>Misappropriation of funds</p>	L	<p>The Financial Regulations set out the requirements for banking, cheques and reconciliation of accounts. The Clerk reconciles the bank accounts monthly and the reconciliation is presented at the Parish Council meeting.</p> <p>Two signatures are required on each cheque from four authorised signatories. Signatories initial cheque stubs and invoices. Internet banking is read only, though transfers between reserve account and main account are allowed when authorised by the Parish Council.</p>	Adequate control measures in place
Invoice payments	<p>Incorrect payment</p> <p>Payment made of goods / services not received or authorised</p> <p>Invoices raised are not</p>	L	<p>All invoices are only paid after the service or goods have been received, and only after approval.</p> <p>The Clerk checks all invoices received for accuracy and ensures all information is entered in the cashbook.</p> <p>Invoices raised (mainly for allotment rents) are followed up to ensure</p>	Adequate control measures in place

	paid		there are no unpaid invoices.	
Cash	Loss / misappropriation of cash	L	There is no petty cash. A small minority of allotment holders pay by cash. Adequate system in place for accounting for all allotment rents, which are banked promptly.	Adequate control measures in place
Investment Account	Loss of funds	L	A quarterly update is obtained and reported to the Parish Council. Additional updates can be obtained if required.	Adequate control measures in place
Grants	Failure to manage and account for grant income	L	Grant income is accounted for separately and in line with the requirements of the grant provider.	Adequate control measures in place
Best Value	Work awarded incorrectly	L	Three estimates/quotations are normally obtained for any work undertaken by contractors on behalf of the Parish Council and for any major expenditure, as set out in the Financial Regulations.  All expenditure must be authorised at a Parish Council meeting before expenditure takes place (other than the maximum of £200 emergency expenditure allowed for in the Financial Regulations).	Adequate control measures in place
Salaries	Salary paid incorrectly  Wrong hours paid  Wrong rate paid  Wrong deductions of NI or Tax  Unpaid Tax & NI contributions to the Inland Revenue	M	The Parish Council authorises the appointment of all employees. Salary rates are reviewed annually by the Staffing Committee and any recommendations from the Committee will need to be authorised by the Parish Council before being actioned.  Tax and NI is worked out using HMRC Basic PAYE Tools programme, with payments to HMRC made on a quarterly basis.  The Clerk has a contract of employment and job description.  Salaries are paid monthly in arrears by standing order.	Adequate control measures in place
Employee	Loss / absence of Clerk  Fraud by Clerk  Actions undertaken by clerk	M	Insurance is in place to cover staff absence. Recruitment to take place as soon as clerk resigns.  Financial systems for authorising expenditure (including mileage and expense claims), reducing cash transactions and control of the bank account all contribute to a system which minimises the risk of fraud.	Adequate control measures in place
Councillors	Unauthorised use of funds Use of funds without declaring an interest	L	No expenditure over £200 can take place without authorisation of the full Parish Council.  Declaration of interest is a standing item on all agendas and all	Adequate control measures in place

			<p>Councillors complete a register of interests.</p> <p>Two signatures are required for all cheques and Councillors do not sign cheques when they have an interest in the expenditure.</p>	
Election costs	Additional costs of election not being budgeted	L	In an election year the Clerk will obtain an estimate of costs from Bradford MDC and include these in the budget plans. Contingency funds would be used to fund any unforeseen elections.	Adequate control measures in place
VAT	Failure to account for or claim correctly	L	The Council has Financial Regulations which set out the requirements. VAT is claimed annually.	Adequate control measures in place
Insurance	Inadequate Cover	M	<p>An annual review is undertaken prior to the renewal of the insurance policy to ensure the cover meets the Parish Council's needs. Public liability is included, with cover up to £10 million, as is Employers' Liability Insurance.</p> <p>All Council members, employees and volunteers of the Parish Council are covered under the personal accident section.</p>	Adequate control measures in place
Assets	Loss or damage	L	An annual review of assets is undertaken. Assets are included in the insurance schedule.	Adequate control measures in place

Authorised: May 2018