

Buckland & Chipping Parish Council
Financial Risk Assessment January 2024

	Risk	Procedures to Address	Reassess/carry out
F	Lack of general financial control		
F1	Lack of responsible officer	Appointment of permanent Clerk	When Clerk resigns or when separate RFO necessary due to workload
F2	Lack of Financial SOs	Produce Financial Standing Orders for Council to review and adopt	Annually
F3	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
F4	Lack of Power to spend	Clerk to check Council spending within powers	Ongoing
F5	Loss/destruction of financial documentation	RFO/Clerk to hold RFO to lock away cheque book	Ongoing Ongoing
F6	Loss of computerised records	Saved to the online server	As used
F7	Cyber attack	Get firewall software installed and keep firewall up to date, secure log in systems	Annually
F8	Lack of skill in systems	Training for Clerk	As needed
	Accounting errors		
A1	Incorrect data entry	Clerk to enter on computer software, RFO to examine entries on schedule before submission to Council Clerk to do bank reconciliation through software or manually Councillors to be vigilant on reviewing management accounts	Ongoing Monthly
A3	Discrepancies in reports to Council	Statement of payments reported, checked	Bi - Monthly
A4	VAT discrepancies	VAT reconciled to financial schedule VAT reclaimed annually	Monthly Ongoing
	Budget overspend		
B1	Overspend against Budget	RFO to check sufficient funds available when expenditure incurred Budget v. actual examined	Bi-monthly
	Misappropriation of public funds		
M1	Expenditure without legal payment authority	Prior approval for spending authorised by Council, is in compliance with Financial Regs.	Ongoing
M2	Payment of invoice without authority from council	All online payments to be listed on a schedule and authorised for payment by Council	Bi -Monthly

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M3	New cheque book misappropriation	Cheque books to be stored securely with Clerk	Ongoing				
M4	Cheque misuse	Cheques agreed against the approved schedule to be signed by two councillors. All signatories must initial the cheque stubs.	Ongoing				
M5	Online payments	Only RFO to set up payments and authorised by 2 Councillors Mandate permissions to be put in place for a minimum 2 Councillors, making sure one councillor is not a signatory in co-ordination with financial regulations.	Ongoing				
M6	Incoming cash and cheque misappropriation	All cash and cheques to be stored securely and banked within 2 weeks.	Ongoing				
M7	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				
Insurance and Liability							
L1	Level of cover inadequate	Reviewed by RFO in association with Council.	Annually and as necessary				
L2	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	Annually Ongoing				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%; text-align: center; vertical-align: top;"> NOTE! The assessed severity of the risk takes account of the combined effect of the probability of occurrence and the severity of the impact </td> <td style="width:25%; text-align: center; background-color: #90EE90; vertical-align: middle;"> Low Risk No further action required </td> <td style="width:25%; text-align: center; background-color: #FFFF00; vertical-align: middle;"> Medium Risk Additional work required on countermeasures / safeguards </td> <td style="width:25%; text-align: center; background-color: #FF00FF; vertical-align: middle;"> High Risk Urgent action required to address risk </td> </tr> </table>				NOTE! The assessed severity of the risk takes account of the combined effect of the probability of occurrence and the severity of the impact	Low Risk No further action required	Medium Risk Additional work required on countermeasures / safeguards	High Risk Urgent action required to address risk
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Assessor (RFO) & Signature C Scott Date:		Reviewed and adopted by Buckland and Chipping Parish Council at its meeting on 08/01/2024. Councillor: Signature	Reviewed: 8 th January 2024 Next review due: January 2025				