

Morichard Bishop Parish Council - Financial Risk Assessment

Area	Risk(s) Identified	Risk Level H/M/L	Potential Impact H/M/L	Management / Control of Risk	Review / Action Required
Assets					
War Memorial The Pound Frost Phone Box Bus Shelter Snow clearance equip Seats, noticeboards, etc	Accidental or deliberate damage	M	M	All insured Public awareness	Review insurance policy annually Monthly visual check of assets.
Security of above assets	Snow clearance equipment in private premises	L	M	All insured	Review insurance policy annually. Regular liaise with Police
	All others in public places	M	M	Public awareness	
Maintenance of above assets	Inadequate maintenance	L	L	Awareness. Planned maintenance.	Maintain as required
Insurance	Inadequate cover or non-renewal	L	H	Annual renewal budgeted. Insurance cover approved by full Council	Renew annually

Finance - Precept					
Inadequate precept set	Underfunded for year	L	M	Precept set in full council. Precept reflects previous year. Increases may be limited by legislation	Annual review
Inadequate reserves	Unable to buffer fluctuations in expenditure	M	M	Target is the carry over one year's precept. Monthly expenditure and reserves discussed monthly in full Council.	Predict going off target unless the council has made a decision to move from target.
Inadequate budgeting	Inability to meet costs	M	M	Budget discussed in full council	Budget to match precept.

Finance - Payments and receipts					
Incorrect invoices	Overpayment	L	M	All payments are agreed in full council	Continue present system
Incorrect payments	Overpayment	L	M	All payments are by cheque, signed by two authorised signatories	Continue present system
Petty cash	Fraud	L	L	No petty cash held	Continue present system

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Receipts	Non-appearance of funds	L	H	A receipt is not registered until it appears on a bank statement	Continue present system
Cashflow	Fraud	L	M	The Clerk produces a cashflow table for the previous banking period at each meeting. The bank statements can be checked at any reasonable time by the Parish Council.	Continue present system. Fidelity Guarantee insurance.
Tenders	Best value not obtained	M	M	Tenders discussed in full council	Continue present system

Finance - Banking

Bank errors	Loss of funds	L	M	Checked monthly by Clerk and compared with known cashflow	Continue present system
Loss of cheque books	Fraud	L	H	Cheque books kept by the Clerk. Cheques require two authorised signatures	Continue present system. Fidelity Guarantee Insurance.
Loss of computer and / or data	Inadequate records	L	M	Backups and paper records maintained. Monthly CD / memory stick filed with Chairman.	Continue present system

Finance - staff & councillors

Salaries	Incorrect salary paid	L	L	Paid against invoice, six monthly. Payments approved by full Council	Continue present system
Salaries	Incorrect tax paid	L	L	Tax advised by accountants	Continue present system
Salaries	Incorrect pension contributions	N/A	N/A	Currently the Clerk is over NRA	Review with each appointment of Clerk
Councillor Allowances	Incorrect payments or tax	N/A	N/A	None paid	NFA
Election costs	Incorrect payments or tax	N/A	N/A	None paid	NFA

Finance - Liabilities

Third parties	Risks to third parties, property or individuals	L	M	Public Liability Insurance	Review Insurance annually
Staff	Compliance with employment law	L	M	Employer Liability Insurance	Review Insurance annually

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All personnel	Health & Safety	L	M	Health & Safety Policy	Continue present system
Legal	Conduct of business is <i>ultra vires</i>	L	M	Legal position to be considered with any new proposal	Legal advice sought when required.
Councillor Impropriety	Incomplete or inadequate register of interests	L	L	Managed by MDDC	Continue present system
Councillor / staff impropriety	Breach of confidentiality	M	L	Monthly minutes produced after each meeting. Displayed on public noticeboard, and Morchardnet website after Council approval.	Continue present system
Councillors and staff	Fraudulent use of funds	L	H	Fidelity Guarantee in place	Continue present system

Finance - VAT

VAT not reclaimed	Loss of funds	L	H	VAT Reclaimed after audits complete	Continue present system
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Insurance Cover

Public Liability	£10 million any one event, including financial loss for councillors
Products Liability and Pollution	£10 million for all claims in the aggregate during any one period of insurance
Employers' Liability	£10 million any one event inclusive of costs
Fidelity Guarantee	£100,000 for all members and employees
Legal expenses	£100,000, except contract disputes

A £100 excess applies to most claims