

# UPTON MAGNA PARISH COUNCIL

## FINANCIAL RISK ASSESSMENT (SPECIFIC)

The Parish Council is expected to carry out an annual assessment of the financial risks it is exposed to and identify any actions it considers necessary to minimise those risks.

ACTIVITY	POTANTIAL HAZARD	CONTROL MEASURES	POTENTIAL RISK WITH CONTROL MEASURES
Annual accounts	Parish Councillors do not see copies of the Annual Accounts	A quarterly financial report and bank reconciliation is to be produced by the Parish Clerk for checking, approval and recording in the minutes. Annual accounts to be produced and recorded in the minutes in May	Low
Audit	Accounts are not audited and no audit report obtained	The Parish Clerk is to arrange for an annual Internal Audit to be carried out in May. The Annual Return is to be approved by the Parish Council and recorded in the minutes in June prior to dispatch to the External Auditors in June/July. The conclusion of the External Audit is reported back to the Parish Council	Low
Calculating precept	Precept could be over-estimated	Parish Council is to consider estimated expenditure against known expenditure	Low
Calculating precept	Precept could be under-estimated and the Parish Council would not have enough money to operate	Same as above	Low

Control of bank accounts	Unauthorised withdrawal of money	The quarterly accounts plus a bank reconciliation are to be prepared by the Parish Clerk for checking and approval by the Parish Council. <b>NB:</b> The Parish Clerk is not a signatory and therefore cannot authorise the withdrawal of money. Periodic checks of the accounts are to be carried out by the Chairman	Low
End of year cash balances	A high cash balance has accumulated at the end of the year	Reason(s) for accumulation is to be investigated and reported to the Parish Council for decision on action	Low
Ordering of goods and services	Unauthorised orders are placed	Any purchases are to be agreed by Parish Councillors and no orders placed without authorisation	Low
Payment of accounts	Payments other than those incurred by the Parish Council made	Only invoices in the name of the Parish Council are to be treated as below. Periodic checks of the accounts to be carried out by the Chairman	Low
Payment of invoices	Unauthorised payments made	All invoices to be presented at Parish Council meetings, duly authorised, signed by two signatories and payments recorded in the minutes. <b>NB:</b> The Parish Clerk is not a signatory. Periodic checks of the accounts to be carried out by the Chairman	Low
VAT reclaiming	VAT is not reclaimed	Parish Clerk to calculate and submit VAT Reclaim form to HMRC in May/June	Low