

FINANCIAL RISK ASSESSMENT (3 Pages)

Area	Risk(s) Identified	Risk Level H/M/L	Potential Impact H/M/L	Management/Control of Risk	Review/Action Required
Finance					
Precept / Budget	Overspend of operational budget and/or inaccurate setting of Precept level realising demand on Reserves.	Low	High	Budget and Precept considered by Finance Committee & full Council each year. Sound budgetary control. Expenditure against budget considered 6 monthly by Finance Committee.	Maintain existing procedures
Bank and Banking	Bank errors and/or inadequate checks leading to financial irregularities.	Low	Medium	Bank reconciliation each month	Maintain existing procedures
Financial controls and records	Inadequate or non-standard records leading to financial irregularities.	Low	Medium	Internal & external audit presented to Council. Monthly financial reports to Council.	Maintain existing procedures
Computer records	Loss of data through system error or theft.	Low	Medium	Back-up Parish data on a monthly basis. Good virus checker used	Monthly back-up to a separate hard drive. Store away from office. Regularly validate stored data.

Tenders	Best value not achieved.	Low	Medium	Financial regulations detail procedures to be followed	Maintain existing procedures
Payments	Goods not supplied but invoiced. Invoices incorrect. Invoices unpaid.	Low	Medium	All invoices recorded and filed upon receipt. Invoices checked for accuracy and for receipt of goods and services. Two signatories on cheques and initialling of cheque stubs. List of cheques presented to full Council monthly.	Maintain existing procedures
Grants	Mismanagement of Grant Aid powers.	Low	Low	Formal applications only considered for Grant Aid by Finance Committee or Council. Budgets adhered to.	Maintain existing procedures
Salaries	Incorrect payments to staff (rates, NI, tax)	Low	Medium	Contract with South Hams District Council for payroll facility. All correspondence filed. Internal audit.	Maintain existing procedures
Councillor Allowances	Non-payment of tax	Low	Low	Councillors do not receive allowances.	No action required
Election Costs	Inability to meet costs	Low	Low	Provision made in budget annually or as required.	Maintain existing procedures
VAT	Errors in calculation.	Low	Medium	Comply with HMRC regulations. Internal audit.	Maintain existing procedures

	Payments not made to HMRC.				
Annual Return	Inability to conduct year end close on time/not submitted on time	Medium	Medium	Book internal audit early	Maintain existing procedures

Reviewed at Wembury PC meeting on 20th May 2019
Approved in Minute :- 19-063