

## BEWCASTLE PARISH COUNCIL

Risk assessment and management (financial) for the period 1 April 2019 to 31 March 2020

The risk management procedures, as documented below, were confirmed to be in practice by the internal auditor on 7<sup>th</sup> May 2019

Topic	Risk identified	Risk level H/M/L	Management of risk	Staff action
Precept	Not submitted	L	Full minute – RFO to follow up	RFO
	Not paid by DC	L	Confirm receipt	RFO
	Adequacy of precept	H	Review of budget to actual	Agenda standing item
Other income	Cash handling	L	No cash is kept	N/A
	Cash banking	L	Check bank statements. Regular bank reconciliations.	Verified at each Council meeting
	From Cemetery	M	Burial Register updated for grave allocations. Check of register with undertaker's fees.	RFO
Grants	Claims procedure	M	Clerk/RFO check as required	RFO
	Receipt of grant when due	M	Clerk/RFO check as required	RFO
Salaries	Wrong salary paid	M	Paid at Council meeting	N/A
	Wrong deductions-NI and Income tax	M	N/A	N/A

<b>Topic</b>	<b>Risk identified</b>	<b>Risk level H/M/L</b>	<b>Management of risk</b>	<b>Staff action</b>
Direct costs and overhead expenses	Goods not supplied to Council	M	Follow up on all orders	RFO
	Invoice wrongly calculated/recorded	L	Check arithmetic on invoices & perform bank reconciliations monthly	Verified at each Council meeting
	Cheque payable is excessive or to wrong payee	M	Signatory initials Stub	At Council meeting
VAT	VAT analysis	M	All items in cash book lists	RFO verify
	Charged on sales	M	N/A	N/A
	Charged on purchases	L	Consider all items per cash book lists	RFO verify
	Claimed within time limits	M	Agree returns submitted	RFO verify
Reserves	Adequacy	L	Consider at Budget setting	RFO opinion.
Assets	Loss or damage etc	M	Annual inspection update insurance and asset register	Diary held by Chairman RFO
	Risk or damage to third party property or individuals	M	Review adequacy of insurance cover	RFO

<b>Topic</b>	<b>Risk identified</b>	<b>Risk level H/M/L</b>	<b>Management of risk</b>	<b>Staff action</b>
Staff	Loss of key personnel (Clerk)	L	Hours, health, stress, training. Monitor & manage as appropriate	RFO/member view
	Fraud by staff	L	Fidelity Guarantee value appropriately set	Review annually - RFO
Loss	Consequential loss due to critical damage or third party performance	L	Review adequacy of insurance cover	RFO
Maintenance	Reduced value of assets	M	Annual maintenance inspection	Chairman/Clerk
Legal powers	Illegal activity or payment	H	Educate Council as to their legal powers	As necessary - RFO
Financial records	Inadequate records	L	Clerk check regularly + internal audit review	RFO/Internal Auditor
Minutes	Accurate and legal	L	Review at following meeting	Clerk
Members' interests	Conflict of interest	M	Declarations of interest to be documented/minuted and any conflict addressed as appropriate	Clerk

Reviewed and adopted on: 18<sup>th</sup> February 2019

Note: Risk assessment must be reviewed and adopted by Council annually during the financial year and before 31<sup>st</sup> March.