

Etwall Parish Council - FINANCE - RISK ASSESSMENT

Items within remit of Finance Committee : (NOTE: Some of these items are part of the RFO's responsibilities.)
 Financial Regulations, Insurance, Spend to Budget, Budget planning, Insurance, Maintain Financial Calendar

Item	Risk	Impact	Probability	Actions
1	Public Liability (Mandatory)	H	L	Continue existing cover
2	Employers Liability (Mandatory)	H	L	Continue existing cover
3	Money (Mandatory)	H	L	Continue existing cover
4	Fidelity Guarantee (Mandatory)	H	L	Amend annual cover in line with the formula – total balances plus 50% precept
5	Property (Buildings and Machinery) & Property Contents (see Insur Schedule for complete list of items)	M	L	Continue with insurance cover and review regularly
6	Officials Indemnity (Councillors and Clerks)	M	L	Continue with existing cover
7	Libel & Slander (Councillors, Clerk and other employees)	M	L	Continue with existing cover
8	Personal Accident (Councillors, Clerk and other employees)	L	L	Covered
9	Legal Expenses (Mandatory) (Claims against Council)	M	L	Covered
10	Accounting System (Loss of data due to system fault)	M	L	Continuous data back-up and store off site. Passwords to be kept by Chair and Vice-Chair
11	Loss of Services of Employee	L	M	Immediately advertise any vacancy (if permanent loss) and request help from remaining employees to cover temporary loss or consider temporary employment
12	Administration (Sudden loss of Clerk)	M	M	Immediately advertise vacancy. Enlist assistance of Temp. Clerk if possible. As last resort, arrange temporary cover from within Council for Payroll etc
13	Administration (Payment Arrangements)	L	L	All Payments must be reported to Council for approval. All Cheque stubs and invoices must be initialled by signatories. Electronic payments to be authorised by two members.

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14	Pension and payments to HMRC not paid timely	M	L	RFO to have systems in place to ensure payments are made by the correct date.
15	Administration (Bank Reconciliation)	L	L	To be carried out on receipt of each Bank Statement
16	Agency Advice	L	L	Continue with Membership of DALC
17	Failure to ensure reviews of charges not undertaken	L	L	All committees to review level of charges annually.
18	Incorrect Precept	L	L	Ensure proper detailed consideration of all Council requirements when preparing to calculate Precept.
19	Precept – Inadequate monitoring of performance	H	L	Continue to regularly consider budget monitoring report
20	Illegal Expenditure	L	L	Always ensure expenditure is within legal powers before approval.
21	Accounting – Non-standard and/or non-compliant records kept	H	L	Ensure adequate, complete and statutory financial records and accounts are kept. The use of proprietary software will ensure smooth transition when changing Clerks / RFO's.
22	Accounting – Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns	H	L	Ensure that all accounts and returns are completed and submitted by the deadlines
23	Accounting – Non-compliance with internal audit requirements	H	L	Ensure an Internal Auditor has been appointed
24	PC budgets overspent	M	L	Include Monthly report of 'Spend to Budget' within Council Meeting.
25	Financial Regulations not adhered to	H	L	Clerk to monitor. Internal Auditor to Report
26	Section 136 claims not processed on time	H	L	RFO to monitor.

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27	Internal Audit Terms of Reference	H	L	Internal Audit Terms of Reference annually approved in accordance with the minimum requirements suggested in 'Governance and Accountability in Local Councils in England and Wales – A Practitioners Guide' Appendix 8 Page 129.
		H	L	Internal Audit takes into account the Council's risk management processes (this document) and internal controls
		H	L	Terms of reference define audit responsibilities in relation to fraud (direct reporting to Chairman/Council).
27	Internal Audit - Independence	H	L	Independence - Internal auditor has direct access to those charged with governance (Council).
		H	L	Internal audit reports made in own name to management.
		H	L	Internal auditor to have no other role within the Council.
		H	L	Competence – There should be no evidence that the internal audit work has not been carried out ethically, with integrity and objectively.
		H	L	Relationships – Responsible officers (Clerk/RFO) is consulted on the internal audit plan and on the scope of each audit.
		H	L	Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters.
		H	L	The responsibilities of the Council Members are understood.
28	Internal Audit – Planning and Reporting	H	L	The audit plan properly takes account of corporate risk.
		H	L	The Council has approved the plan.
		H	L	Internal audit is expected to report on a “negative” basis (report only areas of concern/recommendations).