

St John Parish Council

Financial Risk Assessment

St John Parish Council has a normal annual budget of approximately £ 9,500 of which £ 6,000 comes from the precept. And £ 3,083 is paid by British Renewables for community Benefit projects. The Clerk to the Council is the Responsible Financial Officer. The risk assessment sets out to minimise the risks associated with operating the Parish Council Accounts by identifying risks and putting in place measures to minimise those risks.

Hazard	Consequence	Controls
Payment of invoices.	Unauthorised / Bacs payments or cheques cashed.	Clerk raises cheque. Two signatories (councillors) sign each cheque, initial the cheque stub and or invoice. Clerk to photocopy cheque and attach to invoice. Internal auditor to review annually. Bacs payments to be authorised by two Councillors.
Funds paid into wrong account.	Theft of parish funds.	Councillors to check payee details against the invoice. Internal auditor to review annually.
Unauthorised invoices raised.	Incorrect bills are paid.	All orders for work are approved by the parish council. A list of all cheques raised / Bacs payments are itemised and recorded in the agenda and or minutes. Invoices are signed by a minimum of 1 Councillor. Bank reconciliation reviewed by Chair / Vice chair bi - monthly. Standing orders and Financial scheme of delegation is reviewed and approved annually.
Asset Register not updated.	New assets are not recognised in the accounts	Asset register updated by the Clerk when new items are acquired. New items to be minuted at each meeting and items to be added to the Parish Council Insurance policy. Councillors to inspect the register regularly. Internal auditor to review annually.
Cash flow shortage for Parish Council.	Council has insufficient funds to pay its bills.	Clerk prepares timely accounts, forecasting receipts and payments and a bank reconciliation report prior to each meeting. Councillors to review and approve at each meeting. Chairman to sign approved accounts and bank reconciliation reports at each meeting Chairman to review and sign the latest bank statement at each meeting.
Vat not claimed	Loss of revenue to Parish Council.	Clerk to claim Vat annually (minimum £ 100 claim). Internal auditor to review annually.