

Berwick St John Parish Council
Financial Risk Assessment

Item	Detail	Assessment	Action
Book keeping	Record of council's income and expenditure	Inaccurate or failure to maintain records properly could lead to loss of income, overcharging by suppliers or misappropriation of council funds.	Review Financial Regulations annually
Purchase orders	Goods, services and works acquired on behalf of the council	Failure to observe standing orders and Financial Regulations could lead to overpayment, improper acquisitions or breach of Code of Conduct.	Review Financial Regulations annually
Purchase payments	For goods, services and works on behalf of the council	Potential for overpayment and inappropriate payments	Review Financial Regulations annually
Annual budget	Statement of council's estimated income and expenditure for each year	Risk of failure to provide for services to be provide, over/under statement of precept	Review Financial Regulations annually
Income	Precept and other income received by the council	Lack of controls could result in loss of income, misappropriation of cash.	Review Financial Regulations annually
Petty cash	Minor operating expenses of the council	No risk. PC does not operate petty cash.	Review Financial Regulations annually
Payroll	Payment of wages and salaries to council employees.	Insufficient cheque signatories resulting delayed payment.	Review Financial Regulations annually
Asset control	Record of council's assets and investments	Failure to maintain or review could result in under or over valuing e.g.insurance	Review Asset Register annually
Bank reconciliation	Record of the council's transaction in respect of income and expenditure	Failure to undertake bi-monthly reconciliation could result in loss of income, inappropriate payments or misappropriation of funds	Review Financial Regulations annually
Year end accounts	Statement of financial activity of the council for each year.	Failure to provide an accurate statement of the council's financial transactions for each year	Review Financial Regulations annually
Insurance	Insurance cover provided for council's financial and other activities	Inadequate cover could lead to financial loss and legal claims against the council	Review insurance schedule annually.
Financial records	Record of council's financial transactions.	Failure to ensure safekeeping and updating of records	Review Financial Regulations annually
Internal audit	Review of systems and controls implemented by the council.	Failure to secure independent internal audit and record audit results	Review Financial Regulations annually
External audit	Completion of the Audit Commission process	Failure to comply with statutory requirements for completion and publication of audit	Review Financial Regulations annually
Bank and banking	Inadequate checks Bank mistakes	The council has financial requirements which set out the requirements for banking. All cheques are signed by two signatories, cheque stub and invoice initialled. No invoice – no payment. Clerk checks all cheques processed when preparing bi-monthly bank reconciliation.	Review Financial Regulations annually