

Financial Risk Assessment Form

March 2021

Brief outline of work/activity	Highwood Parish Council	Prepared by:	Karen Kuderovitch
Location	Springfields Crows Lane Woodham Ferrers Essex CM38RR	Signed by Chairman at PC Meeting of

TOPIC	RISK	Probability	Impact	Severity Index	Control	Verification/Action
PETTY CASH	Theft from Clerk	2	1	2	Secure box & storage. Safe. Not to exceed £200 (high impact) Checked regularly, minimal risk Routine check & audit	Restricted use (Clerk)
	Theft – by Clerk	1	10	1		
	Running out of Funds	2	1	2		
	Incorrect Records	4	1	4		
BUDGET	Previously unidentified expenditure (in excess of £5K0	3	6	18	Quarterly/Annual Budget checks. Major expenditure planned, reserve funds Budget planned. Acceptable risk Regular budget reviews. Acceptable risk Annual Review. Acceptable risk Monthly audit. Quarterly Reviews	
	Exceeds Precept	1	8	8		
	Missed budget item	1	6	6		
	Clerks pay rise	1	4	12		
	Incorrect records	3	6	12		
		2				
ACCOUNTS	Theft or loss of records – paper	3	7	21	Transfer & electronic back up daily and weekly Routine backups. At least one copy kept at different location/ISP	Fireproof safe to be agreed and purchased and installed Regular control checks on signatories Review annually
	Theft or loss of records – electronic	2	2	4		
	Theft or loss of cheques	2	4	8	Insurance. Secure storage Indemnity Insurance. Review bank statements No payment without invoice. Invoice cross checked and initialled & two signatures	
	Fraud	2	10	20		
	Unauthorised payments	2	2	4		
	On line Banking	2	2	4	Unity 3 tier on line authorisation program	
	Collapse of financial institution	2	10	20	Use of reputable institutions to minimise risk No significant amounts involved As above Records Management	
	Unpaid debts	2	3	6		
	Failure to issue invoices	2	3	6		
	Failure to pay bills	2	3	6		
Failure to manage accounts	2	5	10	Review trends to identify anomaly		
Incorrect records	2	9	18			
INSURANCE						

DELEGATED ISSUES	Underinsured	2	5	10	Monthly audit. Quarterly review. review annually	To be investigated
		3	10	30	Review Capital Assets Register & Annual Reviews	
	Failure to pay premium	2	10	20	Renewal Notice. Clerks diary	
	Material non disclosure	2	10	20	Clerks diary. Risk Assessment review six monthly	
	Failure to identify risk (appropriate cover)	3	10	30		
	Uninsured indemnity (failure to comply with RoSPA recommendations)	2	10	20		
	Theft or loss of PC equipment from Clerks office & cost of replacement	2	6	12	Parish Tours. Risk Assessment review six monthly	
					Commitment to insurers to copy Playground Inspection report with accompanying action plan	
					Insurance cover & off site back up of electronic records	
	Indemnity against Village Hall failures				Councillor on Committee	
Indemnity against Village Hall Committee resigning	3	5	15	Could involve some financial risk		
Theft or fraud by Councillors	3	5	15	Audit & insurance indemnity		
Title Deeds – Theft or Loss	2	10	20	Lodge originals with bank or in fireproof secure storage in PC office Keep copies. Maintain deeds and critical documents register		
	4	8	32			
				KEY: Severity index is achieved by x Probability & Impact Probability 1 least likely - 10 high Impact 1 minimum - 10 maximum		