



LCRS 5. Risks report

Financial Management

Stanssted Mountfitchet Parish Council Assessment for year 2016 To 2017

Your Duty = Duty to ensure responsibility for financial affairs

Requirement = To ensure all expenditure is intra vires

Aim =

Scoring note:
Low = 1,
Medium = 2
and High = 3

Ref	Risk	Hazard	Control	Review timing	Likelihood of occurrence	Impact on Council	Risk Value	Your action required (> 3)
0	Administration/ Legal	Incurring expenditure without proper legal authority	Record in minutes powers under which expenditure is being approved.	Annually	Low	Low	1	
0	Administration/ Legal	Failure to maintain record of council assets.	Define responsibility for maintenance of asset register. Ensure that all acquisitions/disposals are accurately and promptly recorded. Carry out periodical inventory checks.	Annually	Low	Low	1	
303	Administration/ Legal	Failure to comply with Customs & Excise Regulations	Ensure that value added tax is properly administered. Refer to guidance in HMCE Notice 749. Seek further guidance from HMCE where necessary. Ensure that all input tax and output tax is properly recorded Complete and submit vat claims promptly and on a regular basis. Reconcile claims to cashbook.	Quarterly	Low	Low	1	
302	Administration/ Legal	Failure to comply with Inland Revenue Regulations	Maintenance of comprehensive records of all calculations of income tax, national insurance deducted from pay Regular returns to Inland Revenue; prepared by the Clerk; checked by the Assistant Clerk Arrange prompt payment of all sums due.	Quarterly	Low	Low	1	
0	Financial	Failure to maintain an effective payments system.	Determine responsibility for control of expenditure. All payments to be supported by an invoice/voucher. All detail to be checked and payment entered into a cashbook. All payments to be approved by council and recorded in minutes. All cheques to be signed by at least two authorized members. Signatories to endorse cheque counterfoils and check payments against invoices/payment vouchers. All expenditure to be the subject of sound budgetary control.	Monthly	Low	Low	1	



LCRS 5. Risks report

Financial Management

Stanssted Mountfitchet Parish Council
 Assessment for year 2016 To 2017

Your Duty = Duty to ensure responsibility for financial affairs
 Requirement = To protect interest of council.
 Aim = None

Scoring note:
 Low = 1,
 Medium = 2
 and High = 3

Ref	Risk	Hazard	Control	Review timing	Likelihood of occurrence	Impact on Council Value	Risk Value	Your action required (> 3)
305	Financial	Risk to third party as a consequence of providing a service	Ensure that appropriate insurance cover/policy is in force.	Annually	Low	Low	1	
304	Financial	Failure to ensure proper use of funds under specific powers / S137	Ensure that all expenditure under section 137 is separately recorded in the cashbook. Ensure that total expenditure does not exceed the statutory limitation for the council. Ensure that all grant applications are complete and fully supported prior to submission to committee/council Ensure that all approvals are properly recorded in council minutes. Ensure that no alternative statutory authority is available. Determine responsibility for cash at all sources. Ensure that receipts are issued for all income. Ensure that secure arrangements are in place for all monies held pending banking. Ensure that proper arrangements are in place for prompt recording and banking of all cash received. Ensure regular bank reconciliation Arrange regular report to council. Ensure that council holds adequate fidelity guarantee insurance.	Quarterly	Low	Low	1	
306	Financial	Loss of money through theft/misappropriation.		Monthly	Low	Low	1	



LCRS 5. Risks report

Financial Management

Stanssted Mountfitchet Parish Council
Assessment for year 2016 To 2017

Your Duty = Duty to ensure responsibility for financial affairs

Requirement = To ensure that the budget procedure is both efficient and

Aim =

Scoring note:
Low = 1,
Medium = 2
and High = 3

Ref	Risk	Hazard	Control	Review timing	Likelihood of occurrence	Impact on Council Value	Risk Value	Your action required (> 3)
360	Financial	Failure to set a precept within sound budgeting arrangements	Determine responsibility of clerk/committee/council. Ensure that presentation to committee/council follows an agreed timetable. Ensure that precept is set as a result of a full report detailing requirements for forthcoming year for all heads of income and expenditure. Review all charges made by the council. Review adequacy of all balances and reserves. Ensure that effective budget monitoring is in place throughout the year.	Monthly	Low	Low	1	
347	Financial	Poor Financial Management	Determine responsibility for the management of the financial affairs of the council. Maintain and review Standing Orders/Financial regulations. Maintain an effective budgetary control/financial reporting system. Maintain an effective internal audit.	Annually	Low	Low	1	
41	Financial	Failure to keep proper financial records	Define responsibility through appointment of Proper Financial Officer. Ensure appropriate standing orders and financial regulations in place that are subject to periodic review. Implement effective independent internal audit. Introduce periodical checks by Chairman/other appointed members. Arrange for regular financial reports to committee/council	Monthly	Low	Low	1	

Completed by:

Date:

Position:

No of risks scored

11

Average score:

1.0