Dormington and Mordiford Group Parish Council

RISK ASSESSMENT	Financial Risk and Control
LOCATION	Within the Parish of Dormington and Mordiford

Summary of activity
Assessment of hazards associated with public money

HAZARD	POTENTIAL HARM	PERSON(S) AT RISK	PRECAUTIONS & CONTROL MEASURES	LIKELIHOOD OF OCCURRENCE	HAZARD SEVERITY	RISK FACTOR	PERSON(S) RESPONSIBLE
Precept and Budget Management	Setting the precept too high or two low	Clerk/RFO/ Councillors	1) Finance Working Group meet to set a budget for the forthcoming year, looking at last years budget, the projects in the next financial year, and the reserves (taking into account the Reserves Policy) 2) Once the budget is set, the precept is calculated 3) The Budget and the precept figure are then brought to the next parish council meeting for approval 4) The Budget and Precept figure are then put out for consultation with the general public 5) Once consultation has ended, the precept figure is submitted to Herefordshire Council.	2	3	6	Clerk/RFO/Finance Working Group/Parish Council
Unauthorised spending of public money - electronic payments	Loss of public money	Clerk/RFO/ Councillors	1) All payments need adequate evidence to justify payment, e.g. an invoice. 2) All payments are listed on the agenda and agreed at Parish Council meeting 3) Once the Clerk/RFO has submitted payments, 2/4 signatories authorise the payments 4) When the Parish Council doesn't meet (August & December), the Clerk/RFO can make payments using delegated powers after consulting the Chair and only if payments can not	1	5	5	Clerk/RFO & Parish Council

			be delayed till after the next Parish Council meeting. 5) Any unscheduled payments made between meetings made using delegated powers, will be brought to the next Parish Council meeting to be minuted.				
HAZARD	POTENTIAL HARM	PERSON(S) AT RISK	PRECAUTIONS & CONTROL MEASURES	LIKELIHOOD OF OCCURRENCE	HAZARD SEVERITY	RISK FACTOR	PERSON(S) RESPONSIBLE
Unauthorised spending of public money - Cheques	Loss of public money	Clerk/RFO/ Councillors	1) All Cheques require 2/4 signatories. 2) Cheques are never pre-signed. 3) Payee details and amounts are always filled in before the CHQ is signed. 4) Cheques are only written where there is adequate evidence to justify payment eg an invoice. 5) Where possible, electronic banking is used instead of cheques. 6) The cheque book is always held by the Clerk/RFO. 7) All cheques are authorised and signed at a meeting of the Parish Council and the counterfoil initialed by the two signatories. 8) When the Parish Council doesn't meet (August & December), the Clerk/RFO can make payments using delegated powers after consulting the Chair and only if payments can not be delayed till after the next Parish Council meeting. 9) Any unscheduled payments made between meetings made using delegated powers, will be brought to the next Parish Council meeting to be minuted.	**1**	**5**	**5**	Clerk/RFO & Councillors

HAZARD	POTENTIAL HARM	PERSON(S) AT RISK	PRECAUTIONS & CONTROL MEASURES	**LIKELIHOOD OF OCCURRENCE**	**HAZARD SEVERITY**	**RISK FACTOR**	PERSON(S) RESPONSIBLE
Budget Control – overspending	Getting into debt	Clerk/RFO/ Parish Council	1) The Finance Working group considers all aspects of financial budgeting and control making representations and proposals to the Parish Council when necessary. 2) A monthly/half yearly and year end Bank Reconciliation is produced by the Clerk/RFO signed off by the Finance Working Group. 3) A monthly budget check is carried out by the Clerk/RFO signed off by with Finance Working Group. 4) All transactions are recorded in the Cash book by the Clerk/RFO and reconciled against the Bank statements monthly for the Parish Council meeting.	**1**	**5**	**5**	Clerk/RFO & Councillors
Purchasing	Overspending on low quality products or services	Clerk/RFO/ Parish Council	1) All high value purchases of goods or services, must compare 3 suppliers for value and cost. 2) 3 quotes must be brought to a Parish Council meeting for discussion and for the supplier to be chosen. 3) Any goods purchased by the Footpaths Officer will use approved suppliers where accounts have been set up. The goods and their use will be minuted. 4) All goods will be purchased by the Clerk/RFO. Councillors are not to spend money for reimbursement, unless for an event	**2**	**3**	**6**	Clerk/RFO & Councillors
Contracts	Overspending on bad service	Clerk/RFO/ Parish Council	1) Where services like lengthsman contracts is concerned, 3 quotes will try to be obtained but it is noted that there aren't many Lengthsmen with all the certificates etc. for working on the roads. 2) All contracts will be reviewed annually / bi-annually 3) All contractors are to provide copies of insurance including public liability, risk assessments and method statements where appropriate/available.	**2**	**4**	**8**	Clerk/RFO & Councillors

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Clerks Expenses	Overspending	Clerk/RFO/ Parish Council	1) The Clerk/RFO will submit expense form to the Parish Council at the monthly Parish Council meeting. 2) The expense form will include any purchases (stationery etc.), mileage claims and authorised overtime. 3) Any authorised overtime will be processed through Payroll copying the Chair after approval at a Parish Council meeting. 4) All receipts will be provided and attached to the expense claim for checking and signing off.	**1**	**4**	**4**	Clerk/RFO & Councillors
Parish Council Services	Overcharging making services out of reach to the Parishioner, undercharging and costs not being covered	Parishioners/Parish Council	Allotments 1) All fees will be reviewed annually to ensure fees cover costs of maintaining the space but also keeping the allotment affordable to parishioners Burial Ground 1) All fees will be reviewed annually taking into consideration the annual maintenance costs 2) Fees, once reviewed will be circulated to all the Funeral Directors and memorial companies in the area.	**1**	**2**	**2**	Clerk/RFO/ Councillors

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Grants and funding management	Not fulfilling criteria for funding bodies resulting in funds not being released to pay for bills	Clerk/RFO/ Parish Council	1) All Funding applications to be carried out by the Clerk/RFO 2) All criteria to be noted before applying to ensure the Parish Council can fulfill its promises. 3) Where necessary, photos and What3Words location information to be gathered and any other evidence requirements. 4) If grant monies is paid to the Parish Council, this money will remain in the Reserve Account and record of spending kept. 5) All grant money not used will be returned in a timely manor. 6) Where claims are to be made using supplier invoices, the Clerk/RFO will produce an invoice for the awarding body to pay the Parish Council against. 7) Clerk/RFO to monitor grant money transactions in the budget reviews at Parish Council meetings so spending is transparent.	**1**	**2**	**2**	Clerk/RFO & Councillors
Asset Management	Losing an asset / having the incorrect insurance cover	Clerk/RFO/ Parish Council	1) Asset Register will be reviewed annually 2) Any significant asset purchase will be added to the register and the insurance company notified. 3) Asset tracking is part of the financial audit process.	**1**	**3**	**3**	Clerk/RFO

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VAT	Losing out on money owed to the Parish Council	Clerk/RFO/ Parish Council	1) Tracking all VAT on expenditure within the cashbook in a format acceptable to HMRC 2) Timely VAT claiming from HMRC 3-4 times a year 3) Keeping up to date on VAT rules for claiming	**1**	**3**	**3**	Clerk/RFO
Clerk/RFO Resigns	Losing the capability of submitting payments	Parish Council	1) The Clerk has to give 4 weeks notice before leaving 2) Once resignation received, Parish Council to contact HALC for advice and next steps 3) If HALC appointed to be the interim Clerk, they can apply to become the payment submitter at Unity Trust Bank for the Parish Council. 4) Clerk's access to be removed from the Unity Trust Bank Accounts ASAP.	**2**	**4**	**8**	Clerk/RFO/ Councillors

Assuming the internal controls above are carried out, the assessment of the risk of financial loss, irregularity or defalcation is considered by the Councillors to be low.

RISK ASSESSMENT FOR:	**ASSESSMENT UNDERTAKEN BY:**	**LAST UPDATED ON:**
Dormington and Mordiford Group Parish Council	**NAME: Emma Donovan** **DATE: 15/05/25**	**DATE:** **DATE:** **DATE:**

RISK MATRIX				Hazard Severity				
				1	2	3	4	5
				Low	Slight	Moderate	High	Severe
Likelihood of occurrence	1	Unlikely	May occur less than once in a lifetime	1	2	3	4	5
	2	Possible	May occur less than once a year	2	4	6	8	10
	3	Occasional	May occur two- three times per year	3	6	9	12	15
	4	Likely	Will occur more than three times per year	4	8	12	16	20
	5	Very likely	Probably going to occur	5	10	15	20	25

	If control measures are followed as described, risk factor is low enough to continue
	Hazard carries a moderate level of risk. Attempt to eliminate or isolate hazard; if this can’t be done, decide whether task is essential and who is competent to ensure it is carried out safely. Additional control measures may be necessary
	Hazard is very high risk. Unless it can be isolated/eliminated, do not carry out task. Find alternative solution.