

## Financial Risk Management Schedule

The table below sets out the Financial Risk Management Schedule for Cheriton Parish Council agreed 9<sup>th</sup> May 2023.

The Risk Management Schedule enables the Council to assess any risks and satisfy itself that it has taken adequate steps to minimise them, whilst recognising that not all risks can be eliminated fully. The Schedule should help the Council to identify and manage such risks, record findings and review or revise procedures accordingly.

<b>Service Area</b>	<b>Risk</b>	<b>Level of Risk H/M/L</b>	<b>Control of Risk</b>	<b>Action Required</b>
<b>Insurance</b>	Property & contents owned by the Council	H	Up to date Asset Register maintained	Review annually by Council
	Damage to property/assets	H	Property maintenance & insurance cover	Insurance policy up to date & reviewed annually
	Consequential loss of income or the need to provide essential services following critical damage, loss or non performance by a third party	H	Annual review of risk & adequacy of insurance cover (public liability)	Insurance policy up to date & reviewed annually
	Fraud/theft of money by employee	L	Continue existing Fidelity Guarantee cover as part of insurance cover	Insurance policy up to date & reviewed annually
	Legal liability as a consequence of asset ownership	H	Continue with existing cover on playground equipment and assets contained within the Council's agreed Asset Register.	Carry out annual playground inspection & insurance policy up to date & reviewed annually
<b>Administration</b>	Payment arrangements	L	Continue with requirement to report all payments to Council for approval. Continue with requirement for 2 signatories to initial cheque stubs and invoices and approve electronic payments	Monthly reporting of payments
	Reconciliation	L	Continue with bank reconciliations on all bank accounts to be carried out on the receipt of each bank statement.	Monthly reporting of bank balances
	Employee payments	L	Payroll run monthly by RFO/Clerk & reported to Council including NI/Income Tax liabilities.	Reviewed by Internal Auditor annually.
	Loss of bank signatories	L	Ensure at least 3 councillors have authority to sign cheques. If a councillor resigns a new signatory should be put in place at the earliest opportunity.	Review at elections and if councillor resigns
	Agency advice	L	Continue with memberships of HALC/NALC.	Renew annually

<b>Business Continuity</b>	Loss of council records	M	Perform weekly backups to external hard drive on the Clerk's laptop. On an annual basis archive council paper records with Hampshire County Council. Council paper records for current year held by Clerk at home address.	Weekly backups Review archives annually
<b>Precept</b>	Annual precept not the result of proper detailed consideration	M	Set up working party to agree budget and recommend to full council.	Set up working party in October each year
	Inadequate monitoring of performance	L	Continue to regularly consider budget monitoring report (quarterly). Councillor to carry out quarterly reconciliation as set out in Financial Regulations.	Clerk to add to agenda in June, September, December and March Report back to Council quarterly the completed reconciliation by a councillor Review Financial Regulations annually
	Illegal expenditure	L	Continue to ensure that all expenditure is within legal powers as set out in Financial Regulations.	Council to sign off all payments and approve any contracts awarded before work takes place Review Financial Regulations annually
<b>Accounting</b>	Non-standard and/or non-compliant records kept	L	Continue to require adequate, complete and statutory financial records and accounts	Reviewed by Internal Auditor annually & action plan agreed by Council
	Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns	L	Continue to ensure that all accounts and returns are completed and submitted by the deadlines.	Council to approve AGAR annually
	Non-compliance with internal audit requirements	L	Appoint internal auditor and continue practice of agreeing an action plan and following up at full council meeting.	Internal Auditor appointed by council annually at Annual Meeting
	VAT reclaim not processed	L	Submit VAT reclaim at financial year end or more regularly if large amount of VAT is paid out.	Reviewed by Internal Auditor annually
<b>Contracts</b>	Ensure continued value for money coupled with continuity of work	L	Continue to review regular contracts every year (ie grass cutting) and seek approval from full council. Comply with financial regulations in obtaining 3 quotations for work required for larger items.	Council to approve all contracts for work as required Review Financial Regulations annually