

Risk Assessment – Rivington Parish Council

Reviewed 19/07/23 following a move to online banking

Background to risk:

The Parish Council recognised there was no fidelity insurance in place, so undertook a risk assessment following a move to online banking.

Gross Risk:

The total risk amounts to various payments from Local Authorities and monies accumulated from various village initiatives. The largest single payment being the precept which is between £2000 - £3000 per annum.

Controls in place

1. The Precept is managed by the Parish Clerk
2. 3 Councillors have authority to raise payment online
3. Once an invoice is received the Parish Clerk validates and forwards the request to a Councillor who will raise the payment and copy the other two Councillors so they are aware that the transaction is happening and the amount that has been requested.
4. Councillor notifies the Parish Clerk by email when the transaction has been completed copying the other two Councillors.
5. Parish Clerk notifies Payee that payment has been made.
6. Financial update to be given at each meeting, providing further scrutiny/visibility of any expenditure.
7. The Parish Council has an independent annual audit which verifies the legitimacy of all expenditure
8. Minutes record the review of the financial transactions, providing an audit trail of the probity of transactions

Assessment of Controls:

1. The above preventative controls aim to limit any fraudulent activity or detect potential irregularities.
2. Review of all financial transactions at each meeting and an annual audit by an external accountant are effective methods to safeguard the account.

Conclusion:

Given the controls in place the residual risk is very low (likelihood and potential loss).

Recommendation:

Reporting arrangements and new policy should remain in place to enable continuous reviews of all transactions by all members of the Parish Council.