

Farnham with Stratford St Andrew Parish Council
Financial Risk Assessment April 2025 to March 2026

Topic	Risk identified	Risk level: H/M/L	Management of risk	Mitigation
Salaries	Wrong salary/hours paid	M	Check salary to minute, check hours and rate to contract. PAYE in place.	Invoice provided to each meeting of the PC in accord with approvals process in Financial Regulations
Banking	Inadequate checks	L	Monthly checks made to reconcile against bank statement	Approvals process in accord with Financial Regulations
	Bank mistakes	L	Bank statement checked monthly and reconciled by two Councillors as well as RFO	Bank reconciliation
	Loss of signatories	L	Replacements chosen and action taken with bank	As necessary
	Internet banking	M	The RFO accesses internet banking site directly and not via a search engine. Sealed, dated envelope is held by the Chairman containing the password/PIN. This may only be opened in the presence of two other councillors and that action reported to Parish Council. Any transactions to be carried out	Approvals process; online banking internal controls and Financial Regulations

			electronically must be agreed by Parish Council in advance.	
	Victim of fraud, scam	M	RFO adheres to the Bank's checks for trusted companies and verification of their account details.	RFO to be vigilant
Direct costs and overhead expenses	Goods not supplied	L	Follow up on all orders	Approval check
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and perform bank reconciliations	Approval check
Grants and support	No power to pay or no evidence of agreement of Council to pay	L	Minute Council agreement with the power used to authorise payment included i.e. s137	Invoices to be paid sheet provided to each meeting with power indicated. Minutes approved
Election costs	Invoice at agreed rate	L	RFO check and consider budget	RFO verify
VAT	VAT analysis	M	RFO check and records	RFO verify
	Charged on purchases	L	RFO considers charges	RFO verify
	Claimed within time limits	M	RFO to submit VAT refund request and advise Council of resulting receipt	RFO verify/minuted
Precept	Not submitted	L	RFO to action promptly after PC agrees precept and submits form	RFO verify
	Not paid by DC	L	Confirm receipt	RFO verify
	Adequacy of precept	L	Quarterly review of budget to actual	RFO to provide to Council to review
Other income	Cash handling	L	Cash is not handled except where unavoidable - appropriate controls in place	Annual review of documented controls to be scheduled by

				RFO
	Cash banking	L	Cash is not handled except where unavoidable. Segregate duties. Check to bank statements. Regular bank reconciliations	Member to verify reconciliations taking place at each meeting
	From allotments – received via BACs	L	Check allotment register to invoices	RFO to issue receipts to allotments/advise Council of funds received
Grants	Claims procedure	L	Clerk/RFO check as required	Diary
	Receipt of grant when due	L	Clerk/RFO check as required	Diary
Investment income	Receipt when due	L	Clerk/RFO check as required	Diary
	Surplus funds	L	Clerk/RFO check as required	Diary
Reserves earmarked	Adequacy	M	Consider annually at budget setting	RFO opinion/Council decision/minuted
	Unidentified earmarked or contingent liability	L	Review minutes	RFO/member view
Reserves general	Adequacy	M	Consider annually at budget setting	RFO opinion/member view
Assets	Loss, damage etc	M	Annual inspection, review asset register and insurance annually	RFO to schedule
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability insurance Separate laptop with icloud backup	RFO to schedule
Staff	Loss of key personnel (Clerk/RFO)	L	Risk monitored and managed as appropriate	RFO/member view
	Fraud by staff	L	Fidelity guarantee value appropriately	Council to review

			set	annually
Loss	Consequential loss due to critical damage or third-party performance	L	Review adequacy of insurance cover annually	RFO to schedule
Maintenance	Reduced value of assets or amenities- loss of income or performance	M	Annual maintenance inspection/review asset register annually	RFO to schedule
Legal powers	Illegal activity or payment	M	Continue to educate Council as to their legal powers and identify in minutes. Awareness of Councillor training. Awareness of Standing Orders	RFO/Clerk
Financial records	Inadequate records	L	RFO/Clerk check regularly. Internal audit review	RFO/Clerk
Minutes	Accurate and legal	L	Ensure decisions are lawful and recorded accurately and with context. Agenda to indicate the required action	RFO/Clerk
Members' interests	Conflict of interest	M	Declarations of interest to be documented/minuted and any conflict addressed as appropriate. Members' aware they are responsible for ensuring they declare within 28 days of any change.	Members to be aware of their responsibility in this regard. Clerk to accurately minute declarations.

Reviewed and approved 11 November 2024