

Cross Roads Parish Council**Risk Assessment & Management (Financial)****2025 - 2026****Risk is the likelihood of occurrence.**

Topic	Risk Identified	L/M/H	Management of Risk	Who	Freq
Salaries Payroll outsourced to Bradford Payroll Payroll Services	Incorrect salary paid	L	Cross Roads Parish Council work with a third-party payroll provider. The Internal Auditor will check payments made against invoices supplied, which also includes the payslips. The External Auditor often requests visuals of payslips before Certification of the annual accounts.	RFO Parish Council Internal Auditor External Auditor	Monthly
	Incorrect hours Overtime paid	L	Timesheets are circulated monthly to the PC. Any additional hours are approved for payment at the monthly PC meetings. The clerk emails the correspondence to the payroll provider and cc's the Chair. The Internal Auditor will check the payslips for compliance.	RFO Parish Council Internal Auditor	Monthly
	Incorrect rate pays	L	The Internal Auditor will check payrates. Any increase to pay rates (apart from the automatic cost-of-living increase) is approved by the PC after a recommendation from the Parish Council	RFO Parish Council Internal Auditor	Monthly
	Wrong deductions - NI	L	Payslip produced by a payroll provider. RFO checks	RFO	Monthly
	Wrong deductions – Income Tax	L	Payslip produced by a payroll provider. RFO checks	RFO	Monthly
	Wrong deductions – Pension Payment	L	Payslips are produced. RFO checks	RFO	Monthly

Direct Costs & overhead Payments	Goods not supplied to PC	L	Monthly checks of invoices are prepared on the agenda for the PC. A member of the Parish Council checks the invoices The RFO will not itemise an invoice for payment unless the item has been received	RFO	Ongoing
	Invoice incorrectly calculated	L	Invoices are checked by the RFO	RFO	Monthly
VAT	VAT analysis- VAT is not reclaimed or Incorrect VAT is reclaimed.	L	VAT is reclaimed regularly and reported to the PC via the agenda. The Internal Auditor checks for VAT reclaims as part of their required checks.	RFO	When required
Reserves	General and Earmarked Reserves General Funds The best practice is generally accepted to be between 3 – 12 months.	L	Earmarked reserves are ring-fenced and approved annually and minuted at a full PC meeting. General reserves are generally accepted for between 3 and 12 months.	RFO Parish Council	Annually
Assets	Loss through theft. Replacement due to damage/vandalism	L	The Asset Register is checked and reviewed annually. Observation checks carried out by the Parish Councillors and the Clerk An Annual Review of the Public Liability Insurance to ensure it meets the needs of the parish	Parish Clerk Parish Councillors	When required and Annual
Employees Two employees Parish Clerk/RFO Toilet Attendant	Loss of staff	L	Toilet Attendant Regular catch meetings with the Clerk. The Parish Clerk is the line manager of the Toilet Attendant Parish Clerk/RFO: Regular meetings need to be planned for	Parish Clerk	Ongoing

			2026/2027		
	Fraud & Dishonesty by: Staff Parish Council members	L	<p>Insurance Fidelity Guarantee value up to 250K</p> <p>Dual authorisation with Unity Trust Bank. Invoices are checked by a Parish Councillor/Clerk</p> <p>Annual Internal Audit check completed by two Parish Councillors.</p> <p>Any additional hours for payment for staff is approved by the Parish Council before informing the payroll provider and the Chair of the PC is copied in.</p> <p>Expenses for staff are approved and the invoices checked by a Parish Councillor</p>	RFO Parish Council Internal Auditor	Monthly
Legal Powers	Illegal activity or payment by PC (<i>Ultra Vires</i>) (Beyond its powers)	M	<p>For funds to be spent, the RFO checks the powers.</p> <p>S137 Power of Last Resort 2025 -2026 per elector is £11.10 per elector.</p> <p>Financial Regulations 5.16 – No members have the authority.</p>	RFO Parish Council Internal Auditor	Monthly
Financial Records	Inadequate records	L	<p>Monthly reconciliations are circulated to the members.</p> <p>The internal Auditor checks the bank reconciliations</p> <p>Payments are itemised on the monthly agendas.</p> <p>Bank Statements are signed by a Parish</p>	RFO Parish Council Internal Auditor	Monthly

			Councillor		
Minutes/Parish Minutes	Accurate & Legal	L	Reviewed and considered for approval following the meeting, and signed by the Chair. Uploaded to the website, and signed copies are kept in a folder.	Parish Clerk Parish Council	Monthly
Financial Regulations & Standing Orders	To ensure that the council follows regulations and legislation.	L	Updated annually, approved and minuted. Both documents are tailored to the needs of the PC (however, legal requirements cannot be amended)	Parish Clerk Parish Council	Annually and when Legislation requires.
GDPR Risk	Understanding Legislation Adhering to Legislation	H	Policies need to be updated. Task for 2026/2027 Officer and members to complete training in 2026/2027 when available. The Council is registered with the ICO as of 2024 The Parish Clerk is the Data Processor Officer The Council has its PC email address@gov.uk	Parish Clerk Parish Council	Ongoing

Conclusion:

The Financial Risk Assessment identifies where the Council sits for the fiscal year of 2025 -2026

Approved:
Signed by the Chair and RFO.

Signed:.....

Dated:.....

Signed:.....

Dated:.....