

Parish of St John the Baptist Westbourne & Woodmancote Churches

Risk Review: Finance

Purpose of Assessment

- 1 Agree list of main risks to the church's mission
- 2 Agree the likelihood and level of identified risks
- 3 Agree all actions and identify responsibility

Probability Scoring = PS, Impact Scoring = IS, Overall Scoring = OS (PS + 2xIS). 1 = low, 2 = medium, 3 = high.

	Item Detail	PS	IS	OS	Mitigating Action Required	Responsibility
1	Fraud - Misappropriation of cash	1	1	3	Cash counting and banking carried out by a separate team and Treasurer not involved. All electronic bank payments authorised by two people. Significant cash (>£1) removed from church wall safe fortnightly (particularly after magazine sales). Cash held securely in safe.	Lead cashier
2	Income tax and VAT liabilities - Trading and employment compliance, and loss of exemptions	1	2	5	A firm of chartered accountants was consulted in March 2020. All potentially taxable roles (including hall cleaner) discussed. Advice was that no role is liable for income tax: see RA08.	Treasurer
3	Deanery quota demands.	1	2	5	Assume annual increase no greater than inflation. Ongoing – critical importance of fundraising activities & effectiveness. Continue to preserve value of giving via PGS by converting blue envelope & cash donors.	Treasurer
4	Misuse of restricted or endowment funds	1	2	5	Accounting system segregates funds. Visibility of restricted fund activity via quarterly report to PCC.	Treasurer
5	Budget cost over-runs and income targets shortfalls	1	2	5	Monthly budget report by account codes to Standing Committee. Major one-off costs/repairs funded from pre-existing reserves or after funds raised. Highlight unbudgeted expenditure.	Treasurer
6	Cash flow sensitivity	1	1	3	Weekly monitoring of bank accounts and cash-flow	Treasurer

7	Loss of regular income from members (Personal Giving very vulnerable to loss of generous donor)	3	3	9	Promote PGS to all, especially newcomers. Consider a welcome pack. Encourage PGS inflation indexing. Maintain stewardship activity to encourage replacements. Promote annual review by individual members of the congregation & legacy as 'last gift'.	Churchwardens
8	Loss of hall income	1	3	7	Promotion of Hall lettings. Find back-up or deputy to current Hall Manager long-term.	Hall Manager
9	External computerised fraud	1	3	7	Two-factor authentication in place on bank on-line access.	Treasurer
10	Loss by theft or fraud of cash and assets.	1	3	7	Annual review of insurance cover (including theft and local and external fraud). Check mitigating actions, compliance & 'loss of profits' insurance.	Churchwardens
11	Loss and/or irregularity of Gift Aid Income	1	2	5	Maintain quarterly gift-aid claims using the cloud-based Gift Aid program. Ensure full compliance with tax law and promotion of Gift Aided giving. Promote PGS to reduce workload.	Treasurer
12	Significant loss of reserves (e.g. >20%)	1	3	7	Review allocation of designated funds. Defer Parish contribution payments if no other option. In the event of unavoidable impending insolvency consider selling historical items (see 14) and investing/using money.	Treasurer
13	Loss of book-keeping system or facilities	1	2	5	All accounting conducted via Data Developments cloud-based system. This is supported on two duplicate servers and backed up daily.	Treasurer
14	Loss/Theft of liturgical items	1	1	3	Historical items held by diocese. Everyday items in safe.	Treasurer
15	Vandalism of organ, furnishings, vestments, choir robes	1	1	3	Insurance in place. Open church visited regularly by church watchers. <i>Vestments & altar clothes in unlocked cupboard/drawers –risk of theft</i>	Rector

16	Bank account access	1	2	5	Treasurer, Churchwardens and Rector have electronic payment authorisation on CAF bank accounts. CCLA transactions are conducted by post: churchwardens can authorise payments (dual signatures required).	Treasurer
17	Indisposition of Treasurer	2	2	6	Lead cashier is familiar with the Data Developments accounting system and could temporarily take over Treasurer role for day-to-day transactions. Ideally have a Deputy Treasurer.	Treasurer and Lead Cashier
18	National emergency	1	3	7	PCC would re-allocate designated funds to cover shortfall in weekly giving income.	Treasurer/ Churchwardens

NEXT REVIEW DUE July 2024

REVISION RECORD

REVISION	DATE	DETAILS	BY
Draft	25.03.20	Full review	PCC meeting
Draft	31.12.20	Comments received reviewed & document finalised	Stewart Taylor, Treasurer; Andrew Gordon-Lennox
1	1.1.21	Final version	Marjorie Kipling
2	17.07.23	Reviewed and updated	ST
2	26.07.23	Approved	PCC 26.07.23