



Financial Risk Assessment

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, as far as is practically possible, making sure that all employees are made aware of the results of the risk assessment.

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed.
- Identify what the risk may be.
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise if required.

Key –

High Risk

Medium Risk

Low Risk

| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|---------------------------------|---|--------|---|--|
| FINANCIAL AND MANAGEMENT | | | | |
| Business Continuity | Risk of Council not being able to continue its business due to an unexpected or tragic circumstance | Medium | There is not a business continuity plan in place, however, at least 50% of spend is carried forward each year for emergency costs in general reserves. The insurance policy includes key worker cover of £500.00 per week, to cover the need for a temporary locum Clerk. | Existing procedure adequate. Write Business Continuity Policy Ensure access to data and devices is not limited to a single person. |

| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|------------------------|--|-------------------|---|--|
| Precept | Adequacy of precept | Low | To determine the precept amount required, the Parish Council regularly receives budget update information quarterly), and the precept is an agenda item at full Council in December. Council receives detailed budgets in the late autumn, the precept is derived directly from this. The figure is submitted by the Proper Officer/RFO in writing to the Borough Council. An acknowledgement is received and noted by the Council in the minutes. | Existing procedure adequate |
| | Precept not received from Borough Council | Low | The Proper Officer, aware of payment dates, informs the Council when the monies are received, and this is noted in the minutes | Existing procedure adequate |
| Financial Records | Inadequate records Financial irregularities | Low Low | The Council has Financial Regulations and Internal Control Policies which set out the requirements. Additionally, the council uses the Scribe accounting package which holds details of receipts and payments and reconciles with banking. | Existing procedure adequate. Review the Financial Regulations every year. Finance Committee meets quarterly and reports to full council. |
| Bank and Banking | Inadequate checks Bank mistakes. Loss | Low Low Low | The Council has Financial Regulations and Internal Control Policies which set out the requirements for banking, cheques and reconciliation of accounts and the council's monitoring thereof. Payments require 2 authorised signatures. | Existing procedure adequate. Review the Financial Regulations annually and bank signatory list, when necessary, especially after an AGM and an election/co-option. Monitor the bank statements weekly. |
| Cash | Loss through theft or dishonesty | Low | The Council has Financial Regulations which set out the requirements. Cash received is banked within 3 banking days if possible. There is no petty cash or float. The Parish Council has fidelity insurance cover. | Existing procedure adequate. Review the Financial Regulations annually. |
| Reporting and Auditing | Information communication | Low | Bank reconciliations are completed quarterly, budget updates are received regularly (both to be noted in the minutes) and a breakdown of receipts and payments will be listed in the monthly meetings. | Existing communication procedures are adequate. |
| | Compliance | Medium | RFO and/or Chair of Finance to ensure the reporting detailed occurs, and all councillors to follow Financial Regulations for expenditure. Parish Clerk holds records of approved expenditure | Existing procedures are adequate, and councillors to be aware of reporting/recording requirements. Councillor training undertaken. |

| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|--------------------------------------|---|--------------------------|---|---|
| Direct costs Overhead expenses Debts | Goods not supplied but billed. Incorrect invoicing Incorrect cheques Unpaid invoices | Low Low Low Low | The Council has Financial Regulations which set out the requirements. At each Council meeting the list of payments awaiting approval is listed in the supporting documentation for Councillors to consider. The Chair signs the invoices against which payments are made once approved. The Council approves the list of payment requests. Two Councillors nominated to authorise payments check each payment awaiting authorisation against the agreed payment list – online or by cheque. Unpaid invoices issued by the Council for services are pursued and where possible, payment is obtained in advance. | Existing procedure adequate. Review the Financial Regulations annually. |
| Grants and support - payable | Power to pay. Authorisation of Council to pay | Low | All such expenditure goes through the required Council process of approval, minuted and listed accordingly. -If a payment is made using the S137 power of expenditure, the RFO and/or Parish Clerk maintains a separate list of such expenditure to ensure limits are not breached. | Existing procedure adequate. Parish Clerk and/or RFO allocate which Power to Spend is used to make payments. |
| Grants - receivable | Receipts of Grant | Low | Except for Concurrent Functions, the Parish Council does not presently receive any regular grants. One-off grants would come with terms and conditions to be satisfied. Fundraising and grants for specific projects are accounted for under a separate heading or code in accounts. | A procedure would need to be formed if required. Grants may only be applied for with minuted agreement if full council. |
| Charges – rentals payable | Payments of charges, leases, rentals | Low | The Parish Council leases the Playing Field and the Village Hall from NCC. The invoice payable for the nominal peppercorn rental amount is entered into the normal payment system for authorisation. | Existing procedure adequate. |
| Charges – rentals receivable | Receipt of rental from allotments Receipt of rental from Village Hall Receipts of rental from the Playing Field | Low Low Low | The Clerk/RFO issues invoices annually. Member to verify at quarterly checks. Receipt of payment is noted in the minutes. The Clerk/RFO issues invoices monthly (regular users) or on booking (for others). Member to verify at quarterly checks. Receipt of payment is noted in the minutes. The Clerk/RFO issues invoices according to agreed SLA. Member to verify at quarterly checks. Receipt of payment is noted in the minutes. | Existing procedure adequate. Existing procedure adequate. Existing procedure adequate. |

| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|-------------------------------|---|---------------------------------|---|---|
| Best value Accountability | Work awarded incorrectly. Overspend on services | Low Med | Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Proper Officer would investigate the situation, check the quotation/tender, research the problem and report to the Council. Contracted self-employed staff need to submit a Tender/Quotation each year for seasonal work for approval by the Council. Ongoing work needs to be reviewed annually by the Council. | Existing procedure adequate. Include when reviewing Financial Regulations / Internal Control. Council prefers to use local contractors and occasionally advance payment for materials is required – there is a procedure to manage this that protects the council's funds. |
| Salaries and associated costs | Salary paid incorrectly. Wrong hours paid. Wrong rate paid. False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue | Low Low Low Low Low | The Parish Council authorises the appointment of all employees. Salary rates are assessed annually during the budget-setting process and applied on 1 April each year. Salary payslips are produced by the Proper Officer monthly together with a schedule of payments to the Inland Revenue (for Tax and NI). The Tax and NI are worked out using an Inland Revenue computer programme updated annually. All Tax and NI payments are submitted in the Inland Revenue Annual Return. Staff will each submit a monthly timesheet containing hours, tasks, and overtime must be pre-approved in writing by the Chair or Committee Chair. All contracts of employment contain a section on overpayment and recoup. | Existing appointment and payment system is adequate. Staff monitoring of workload and payments will be reviewed quarterly in the Finance Committee. Pension scheme determines required payment of employee/employer contributions against fixed rates. |
| Employees | Loss of key personnel Actions undertaken by staff Fraud by staff Health & Safety | Low Low Low Low | The Council insurance includes key worker insurance of £500.00 to cover the need for a temporary locum Clerk. The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud. Any Voluntary staff should be provided with adequate direction and safety equipment needed to undertake the roles, i.e. protective clothing and training. Risk assessments are undertaken for all events and new activities in/on premises and spaces managed by the council. | Existing procedure adequate. Membership of the SLCC, Norfolk ALC and Norfolk Parish Training & Support. Monitor working conditions, safety requirements and insurance regularly. |

| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|--|--|-------|---|---|
| Councillor allowances | Councillors over-paid Income tax deduction | Low | No allowances are currently allocated to Parish Councillors | No procedure required |
| Election costs | Risk of an election cost. Anticipated election charges: Contested £2,000 - £3,000 Uncontested £200 - £300 | Low | Risk is Low, the next election year is 2027. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. However, the Parish Council will always include the costs of a contested election in earmarked reserves. | Existing procedure adequate |
| VAT | Re-claiming/charging | Low | The Council is not VAT registered. The Council has Financial Regulations which set out the requirements. VAT is reclaimed periodically. | Existing procedure adequate |
| Annual Return | Submit within time limits | Low | Employer's Annual Return is completed and submitted online and to the Inland Revenue within the prescribed time frame by the RFO. Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within time limit. | Existing procedures adequate. At least one councillor has received training in making the Annual Returns to support Clerk/RFO. |
| Legal Powers | Illegal activity or payments | Low | All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings. Proper Officer/RFO to check Powers where this is not clear, or it is an unusual activity. | Existing procedure adequate. |
| Minutes/Agendas/Notices Statutory Documents | Accuracy and legality | Low | Minutes and agenda are produced to a required standard by the Proper Officer and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting. Minutes and agenda are displayed according to the legal requirements. | Existing procedure adequate. Guidance/training to the Chair & Vice/Chair should be given (if required). |
| | Business conduct | Low | Business conducted at Council meetings should be managed by the Chair. Proper officer to ensure that the minutes contain required periodic reporting. | Members to adhere to the Code of Conduct, re-signed at each election and subsequent AGMs. |
| Members interests | Conflict of interest | Low | Standing Orders require a declaration of interest(s) in any agenda item at each Parish Council meeting by members to remind Councillors of their duty. | Existing procedure adequate. |
| | Register of Members interests | Low | Register of Members Interest forms should be reviewed at each AGM by Councillors. These are held by the Borough Council. | Members update their Registers annually. |

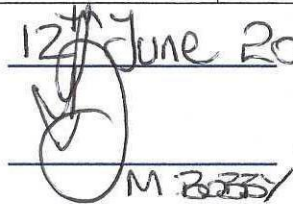
| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|------------------------------------|--|---------------|---|---|
| Insurance | Adequacy | Low | An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for. Ensure compliance measures are in place. Ensure Fidelity checks are in place. | Existing procedure adequate. |
| | Cost | Low | | Review insurance provision annually. |
| | Compliance Fidelity Guarantee | Medium Low | | Review of compliance. |
| Data protection | Policy Provision | Low | The Council is registered with the Data Protection Agency and has put in place policies and notices as required by General Data Protection Regulation. | Information Commissioner |
| Freedom of Information Act | Policy Provision | Low Medium | The Council has a model publication scheme for Local Councils in place. There have been no requests for information to date, but the Council is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours, but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee. | Monitor and report any impacts of requests made under the F of I Act. The council to be informed of this obligation via training and reminders |
| PHYSICAL EQUIPMENT OR AREAS | | | | |
| Assets | Loss or Damage Risk/damage to third party(ies)/property | Low Low | An annual review of assets is undertaken for insurance provision, storage, and maintenance provisions. Council intends to introduce Preventative maintenance programmes for its assets | Existing procedure adequate. |
| Recreation Ground | Risk/damage to third party(ies)/property | Low | Area and facilities are regularly inspected by Councillors. Electrical and fire test conducted as and when required. | Existing procedure adequate |
| Village Hall | Risk/damage to third party(ies)/property | Low | Area regularly inspected by Handymen and Councillors. Electrical and fire test conducted as and when required. | Existing procedure adequate |
| Allotments | Risk/damage to third party(ies)/property | Low | Regular allotment inspections are undertaken by Councillors. | Existing procedure adequate |
| Maintenance | Poor performance of assets or amenities | Low | All assets owned by the Parish Council are annually reviewed and regularly maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council | Existing procedure adequate. |
| | Loss of income or performance | Low | | |
| | Risk to third parties | Low | | |

| Topic | Risk | H/M/L | Management/control of risk | Review/Assess/Revise |
|------------------------------|--|--|---|--|
| Notice boards | Risk/damage/injury to third parties Roadside safety | Low Low | Parish Council has 2 notice boards sited around the village. All locations have approval by relevant parties, insurance cover, inspected regularly by the Handymen and Councillors - any repairs/maintenance requirements brought to the attention of the Parish Council. | Existing procedure adequate. |
| Street furniture | Risk/damage/injury to third parties | Low | The Parish Council is responsible for seats and a bus shelter (covered by insurance). An annual inspection is conducted by Councillors and a report is made at the next Parish Council meeting and damage or faults are dealt with. Bus Shelter cleaners and Duffles Pond volunteers are to be asked to report any damage. | Existing procedure adequate. |
| Meeting location | Adequacy Health & Safety | Low | The Parish Council Meetings are held at the Village Hall. Facilities are considered to be well above average for the Clerk, Councillors and Public who attend from Health and Safety and comfort aspects. | Existing locations are adequate. |
| Council records – paper | Loss through theft fire damage | Medium Low | The Parish Council records are stored at the Village Hall and at the Proper Officer's home address (inventoried) Records include historical correspondence, minute books and copies, leases for land or property, and records such as personnel, insurance, salaries etc. Recent materials are held in metal filing cabinets in a locked room and older more historical records in the Norfolk Archives. | Damage (apart from fire) and theft are unlikely so provision adequate. Clerk to be aware all paper documents are the property of the council. Deeds/leases copied and deposited off-site. Additional effort to use electronic records. Record kept if councillors access paper documents. |
| Council records - electronic | Loss through: Theft, fire, damage corruption of computer, Loss of clerk/ passwords/access | Low / Medium Medium / Low | The Parish Council's electronic records are stored on the Council's computer, which is password protected. Back-ups are held on OneDrive. Council email is currently Gmail and use a Google1 account for additional storage. | Back-up of electronic files produced. Physical security of the back-up is maintained (off-site storage) To be included in the Business Continuity Policy and Clerk's job description |

Reviewed at Meeting Dated:

12th June 2024

Signed by:


M. Bobby

Chairperson