

STANFORD RIVERS PARISH COUNCIL – Financial Risk Assessment

FINANCIAL AND MANAGEMENT

Subject	Risks Identified	H/M/L	Management control of risks	Review/Assess/Revise
Councillors	Losing Councillor membership or having more than 4 vacancies at any one time	Risk L Impact M/H	When a vacancy arises there is a legal process to follow. This either leads to a By-election or into a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment.	Existing procedures adequate.
Precept	Adequacy of precept Requirements not submitted to EFDC in time Amount not received by EFDC.	Risk L Impact M	Regular budget review by Full Council. Precept should be considered by Council before the deadline - deadline should be ascertained from EFDC asap, and Clerk ensures demand sent on time The Clerk informs Council when the monies are received	Existing procedure adequate
Financial records	Inadequate records Financial irregularities	Risk L Impact M	The Council has Financial Regulations which set out the requirements. These are reviewed annually.	Existing procedure adequate. Review of Financial Regulations Annually.
Bank and banking Internet banking	Inadequate checks Bank mistakes Loss Charges Loss of signatories	Risk L Impact H	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. The Clerk reconciles the bank accounts once a month when the statement arrives, any problems/irregularities are dealt with immediately by informing the bank and awaiting their correction. Monitor the bank statements monthly. The clerk has separate access to the Bank Account, and is authorised to both View and Instruct payments. The Clerk is not authorised to approve payments. Any transactions to be carried out electronically are authorised by two separate Councillors via separate online access.	Existing procedures adequate.
Cash / Loss	Loss through theft or dishonesty	Risk L Risk H	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate.

			Cash/cheques received are banked within 3 banking days. There is no petty cash or float	
Litigation	Potential risk of legal action being taken against the Council	Risk L Impact M	Council has public liability insurance which is reviewed annually	Insurance is adequate for requirements but there is still risk of other claims.
Reporting and auditing	Information Communication Compliance	Risk L Impact	A Clerk's report is produced and presented at each Council meeting, setting out all correspondence and communication. A financial report of all payments and receipts is also reported at each meeting. An Internal Auditor is appointed each year.	Existing procedure adequate.
Grants and support - payable	Power to pay Authorisation of Council to pay	Risk L Impact M	All such expenditure goes through the required Council process of approval and is minuted.	Existing procedure adequate.
Grants - receivable	Receipts of Grant	Risk L Impact L	The Parish Council does not presently receive any regular grants. One off grants would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required
Best value Accountability	Work awarded incorrectly Overspend on services	Risk L Impact M	Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods, in accordance with the Financial Regulations. For major contract services, formal competitive tenders may be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council.	Existing procedure adequate. Include when reviewing Financial Regulations Annually.
Salaries and assoc. 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	Risk M Impact H	The Parish Council authorises the appointment of all employees through all council meetings. Salary rates are assessed annually by Council at the Budget/Precept meeting. The Council agenda details payments to the Inland Revenue (for Tax and NI) and the Clerk. These are inspected at the Council meetings and signed off. The Tax and NI is worked out using external payroll software. All Tax and NI payments are submitted in the Inland Revenue on time. The Clerk has a contract of employment and job description. Salaries are paid in arrears at the end of each month.	Existing appointment system adequate.
Employees	Loss of Clerk	Risk M Impact H	Clerk holds computer at home address. Office 365 subscription so all files are available on line. Chairman holds log on details for access if required.	Regular meetings with Clerk and Chairman to address any issues.

	Fraud by Clerk Actions undertaken by clerk. Health and Safety		The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Health & Safety issues relating to the clerk are with regard to working at home and driving to/from Council meetings. The clerk's own car insurance covers travel to and from a place of work.	Monitor working conditions, safety requirements and insurance regularly.
Councillor allowances	Councillors over-paid Income tax deduction	N/A	No allowances are allocated to Parish Councillors.	No procedure required.
Election costs	Risk of an election cost	Risk L Impact L	Risk is higher in an election year. Council holds an EMR for such costs. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process.	Existing procedure adequate
VAT	Re-claiming/charging	Risk L Impact L	The Council has Financial Regulations which set out the requirements. VAT is claimed regularly.	Existing procedure adequate
Audit - Internal	Audit Completion within time limits	Risk L Impact H	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the form to complete and sign for the External Auditor.	Existing procedure adequate
Audit – External	Completion/Submission within time limits	Risk L Impact H	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 procedure adequate
Legal powers	Illegal activity or payments	Risk L Impact H	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings.	Existing procedure adequate.
Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	Risk L Impact M	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to the legal requirements. Business conducted at Council meetings should be managed by the Chair.	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct
Members interests	Conflict of interest Register of Members interests	Risk L Impact M	Although not a requirement, the declaring of interests by members at a meeting acts as an obvious process to remind Councillors of their duty and should remain on the agenda. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate. Members take responsibility to update their Register
Insurance	Adequacy Cost Compliance	Risk L Impact H	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.	Existing procedure adequate. Review insurance provision annually.

	Fidelity Guarantee			Review of compliance
Assets	Loss or Damage Risk/damage to third party(ies)/property	Risk L Impact H	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset register to be updated Annually
Maintenance	Poor performance of assets or amenities Risk to third parties	Risk L Impact L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council. All assets are insured and reviewed annually.	Existing procedure adequate.
Assets	Loss/damage/injury to third parties	Risk L Impact H	Assets are risk assessed once per year. Insurance and asset registers are updated annually.	Existing procedure adequate
Meeting location	Adequacy Health & Safety	Risk L Impact H	The Parish Council Meetings are held at the Toot Hill Village Hall. The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety, Disability Discrimination and comfort aspects	Existing location adequate.
Council records - electronic The Parish	Loss through: Theft, fire, damage corruption of computer	Risk L Impact H	Council's electronic records are stored on the Clerks computer, to which Chairman has access. Hard copy files are stored at Clerk's home in a lockable cabinet (GDPR)	Existing procedure adequate.

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