



Nedging with Naughton Parish Council

Risk Assessment and Financial Management for the period 1 April 2024 - 31 March 2025

| Topic | Risk Identified | Risk Level H/M/L | Management of Risk | Staff action |
|--------------|---------------------------|---------------------|--|---|
| Precept | Not submitted | L | Full minute – The Clerk/RFO notes the submission date and informs the Parish Councillor's | Diary |
| | Not paid by DC | L | Confirm receipt. An email confirming BACS payment is received from Babergh DC that confirms when the payment will be/has been made | Diary |
| | Adequacy of precept | H | The budget is reviewed regularly throughout the year. Budgets are set ahead of deciding what level of precept to request and appears as agenda items. The clerk updates the Parish Council meetings regularly. The clerk ratifies the bank statement with payments made and receipts received. | Diary |
| Other income | Cash handling | L | There is no petty cash held and no cash payments are made or received | Member to verify |
| | Cash banking | L | Segregate duties. Check to bank statements. Regular bank reconciliations | Member to verify reconciliations taking place |
| Grants | Claims procedure | M | The clerk always follows the correct procedure for grant applications and all receipts are recorded in the agenda and minutes at the Parish Council Meetings | Diary |
| | Receipt of grant when due | M | | Diary |

| Topic | Risk Identified | Risk Level H/M/L | Management of Risk | Staff action |
|------------------------------------|---|---------------------|--|------------------|
| Salaries | Wrong salary/hours/rate paid | M | The clerk is the only employee and is paid quarterly. SALC handles the payroll and sends the Clerk her pay slip, which is authorized by 2 Councillor's for payment. Clerk's salary is recorded on the finance sheets and reported at meetings | Member to verify |
| | Wrong deductions – NI and Income tax | M | | Member to verify |
| Direct Costs and overhead expenses | Goods not supplied to Council | M | The clerk checks all invoices and delivery notes before submitting for payment and only pays for items that have been received, unless payments are required in advance e.g. pro-forma invoice which has been previously agreed at a Parish Council Meeting. All purchased items are added to the asset register which is checked annually | Approval check |
| | Invoice incorrectly calculated or recorded | L | Arithmetic is checked on invoices and bank reconciliations are performed on a monthly basis when the monthly bank statement is received. | Member to verify |
| | Cheque payable is excessive or to wrong party | M | Payments are only made to the person/company named on the invoice. All invoices are emailed to Councillor's for authority for payment. Payments by cheques are avoided but if required cheques are signed by two signatories, stubs and invoices initialled and dated and recorded in the payments and receipts ledger. | Approval check |

| | | | | |
|------------------|---|---|--|---------------|
| Grants & support | No power to pay or no evidence of agreement of Council to pay | M | The power to pay is always checked before payments are made. All grants are considered at a full Parish Council Meeting and conditions agreed if appropriate e.g. requests for further information for clarity. All payments are agreed, an online authorisation form is signed by 2 Councillor's and payments are made via BACS. The clerk updates financial records accordingly. | Member verify |
| | Conditions agreed | L | | RFO check |
| Election Costs | Invoice at agreed rate | L | The clerk notes estimated election costs during an election year and budgets appropriately. The Parish Council ensure there are sufficient funds in the reserve account. | RFO verify |
| VAT | VAT analysis | M | The clerk keeps a register of all VAT paid | RFO verify |
| | Charged on sales | M | The council is not VAT registered as they do not conduct sales | RFO verify |
| | Charged on purchases | L | All VAT invoices are filed accordingly, and VAT paid recorded accordingly for VAT claim to be carried out. | RFO verify |
| | Claimed within time limits | M | Clerk submits VAT reclaims within time limit in accordance with HM Revenue & Customs regulations. | RFO verify |

| Topic | Risk Identified | H/M/L | Management of Risk | Staff action |
|----------------------|--|-------|---|----------------------------|
| Reserves - General | Adequacy | L | Consider at Budget setting | RFO opinion. |
| Reserves – Earmarked | Adequacy | L | Consider at Budget and review of final accounts | RFO opinion |
| | Unidentified Earmarked or Contingent liability | L | Review minutes | RFO/member view |
| Assets | Loss, Damage etc | M | Annual inspection, update insurance and asset registers | Diary |
| | Risk or damage to third party property or individuals | M | Review adequacy of Public Liability Insurance | Diary |
| Staff | Loss of key personnel (Clerk) | L | Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate. | RFO/member view |
| | Fraud by staff | L | Fidelity Guarantee value appropriately set | Council to review annually |
| Loss | Consequential loss due to critical damage or third party performance | L | Review adequacy of Insurance cover | Diary |
| Maintenance | Reduced value of assets or amenities -loss of income or performance | M | Annual maintenance inspection – Insurance Cover is reviewed and renewed annually | Diary |
| Legal Powers | Illegal activity or payment | H | Educate Council as to their legal powers | Diary |
| Financial Records | Inadequate records | L | RFO/clerk check regularly + internal audit review. The clerk keeps account records which are updated before and after each Parish Council Meeting and on receipt of the monthly bank statement. Accounts are inspected by Internal and External Auditors annually and records are always available. | Diary |



| | | | | |
|---------------------|---|----------------------------|--|-----------------|
| Minutes | Accurate and legal | L | Review at following meeting. Minutes are always reviewed and approved at the following Parish Council Meeting to which they refer. Approval of minutes is a permanent agenda item. | Diary |
| Members interests | Conflict of interest | M | Declarations of interest to be documented/ minuted and any conflict addressed as appropriate. | Diary |
| Electronic Payments | <p>Incorrect payment or electronic amount made</p> <p>No monitor on actual electronic payment</p> <p>Payments made without council approval</p> | <p>M</p> <p>M</p> <p>M</p> | <p>Checking of amount before final submission for payment.</p> <p><i>This depends on what system your bank uses</i></p> <p>All BACS payments are approved by council prior to the payment being made. A record of every electronic payment is signed off by two councillors at a council meeting, and the clerk will print off every electronic payment confirmation and attach it to the corresponding invoice for audit purposes.</p> | Review Annually |

Reviewed and adopted on: 13/09/2022

Reviewed on 09/07/24

Note: Risk assessment must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.