

CODDENHAM PARISH COUNCIL

RISK ASSESSMENT AND MANAGEMENT (FINANCIAL) FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

TOPIC	RISK IDENTIFIED	RISK LEVEL H/M/L (H – HIGH M – MEDIUM L – LOW)	MANAGEMENT OF RISK	ACTION
Precept	Not Submitted	L	Budget and precept setting process, for the following financial year, considered as from September, allowing time for any revisions before Council consideration and final adoption Council adoption to be minuted. The RFO to submit the demand to the district council	Diarise – Finance Panel meeting(s) and Parish Council meeting(s), being mindful of the deadline of 31 January
	Not paid by the district council	L	Confirm receipt of payment from the district council	Diarise
	Adequacy of precept	M	Budget and precept setting process, for the following financial year, considered as from September, allowing time for any revisions before Council consideration and final adoption Monthly review of budget to actual spend / receipt	Diarise – Finance Panel meeting(s) and Parish Council meeting(s), being mindful of the deadline of 31 January Monthly Financial Report distributed to Council
Other Income	Cash handling	L	The Council does not hold petty cash Any cash received is banked immediately	Annual review of documented controls
	Banking	L	Most income is received as a direct transfer into the Council’s bank account. Cheques and cash are banked promptly Undertake regular reconciliations	Member to verify bank reconciliations and action to be minuted at Council meeting

	Reporting of income	L	All income is recorded in the cash book when received and reported as part of the Monthly Financial Report distributed to the Council	Member to verify bank reconciliations and action to be minuted at Council meeting
	From Allotments	M	Reconcile allotment register, invoices issued and payments received	Member to verify and action to be minuted at Council meeting
External Grants	Claims Procedure	M	Clerk/RFO check as required	Diarise
	Receipt of grant when due	M	Clerk / RFO check as required	Diarise
Investment Income	Receipt when due	L	Clerk / RFO check as required	Diarise due date(s)
	Surplus Funds	L	Review levels and investment policy annually Council to only invest in financial institutions that can demonstrate security Council approval is required prior to investment	Diarise policy review date
Salaries	Wrong salary/hours/rate paid	M	Check salary to minute, check hours and rate to contract	Member to verify
	Wrong deductions - PAYE	M	Check to PAYE calculations. HMRC Basics software used	Member to verify
	Self-employed status challenged.	M	Agree with HMRC	Obtain letter from HMRC and keep on file
Staff	Loss of key personnel (clerk)	L	Hours, health, stress, training, long-term illness, early departure – risk monitored and managed as appropriate	Diarise annual staff appraisals
	Fraud by staff	L	Fidelity Guarantee value appropriately set	Council to review value at least annually

Direct Costs and Overhead Expenses	Goods supplied / not supplied to Council	M	Follow up on all orders. Maintain an audit trail	Approval check
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and undertake bank reconciliations on a monthly basis	Member to verify
	Payable amount is incorrect or made to the wrong payee	M	Two member bank authorities (signatories) to check 'set up' payments against invoices Invoices to be initialled by two bank signatories against the payment schedule and bank authorisation schedule	Approval check Member to verify
Grants & Support	No power to pay or no evidence of agreement of council to pay	M	Adopt a Grant Awarding Policy Minute Council agreement with the power used to authorise payment	Member to verify
	Conditions agreed	L	Agree and document any reasonable conditions	RFO check
Election Costs	Invoice at agreed rate	L	RFO check and consider budget	RFO verify
VAT	VAT analysis	M	Check invoices against cash book entries	RFO verify
	Claimed within time limits	M	Submit returns at least annually	Diarise
Reserves - General	Adequacy	L	Consider at budget setting	RFO opinion 3year plan
Reserves - Earmarked	Adequacy	L	Consider at budget and review of final accounts	RFO opinion
	Unidentified Earmarked or Contingent Liability	L	Ringfenced reserves identified and recorded in the Monthly Financial Report	RFO / member view

			Movement between reserves (ringfenced and general) into / from the revenue budget made by resolution of the full Council	RFO / member view
Assets	Loss, damage etc.	M	Annual inspection, update insurance and asset register	Diarise
	Risk or damage to third party property or individuals	M	Review adequacy of public liability insurance	Diarise
Loss	Consequential loss due to critical damage or third party performance	L	Review adequacy of insurance cover	Diarise
Maintenance of assets	Reduced value of assets or amenities	M	Annual maintenance inspection	Diarise
Legal Powers	Illegal activity or payment	H	The Council has appointed a qualified Clerk to manage the Council's affairs Educate councillors as to their legal powers by them undertaking councillor training	Diarise
Financial Records	Inadequate records	L	RFO / Clerk check regularly Annual internal audit review	Diarise
	Loss of records	L	Digital back-ups are regularly undertaken Paper records are stored securely at an alarmed premises	Diarise
	Access to bank records	L	Controls in place for access to the Council's bank accounts and records	Approval check
	Internet banking	L	Internet banking mandate in place requiring two signatories to authorise payments set up by the RFO Internet banking controls form part of the Council's Financial Regulations	Approval check Diarise review

Minutes	Accurate and legal	L	Review and signed at following meeting	
Members Interests	Conflict of interest	M	Declarations of interest to be documented / minuted and any conflict address as appropriate	Diarise
	Code of Conduct	M	Council has adopted the Suffolk Local Code of Conduct	No action
Governance	Standing Orders	L	Council has adopted Standing Orders which are reviewed at least annually	Diarise
	Financial Regulations	L	Council has adopted Financial Regulations which are reviewed at least annually	Diarise
	Data Protection	L	Council is registered with the ICO as a Data Controller under the Data Protection Legislation. Renewal is on a direct debit mandate Council has undertaken a Data Audit	Diarise
	General Data Protection Regulations	L	Council has adopted General Data Protection policies, including procedures for dealing with Subject Access Requests and Data Breaches All policies, regulations and Privacy Notices are published on the Parish Council website	Diarise Clerk check
	Data Protection Impact Assessments (DPIAs)	M	Mandatory where the processing of data presents a high risk to the rights and freedoms of individuals Council will undertake a DPIA when processing is likely to result in a high risk to data subjects and will ensure data is kept only in accordance with the Council's Records and Data Retention Policy	Clerk check Clerk check

Note: The Risk Assessment must be reviewed and adopted by Coddendam Parish Council annually during the financial year and before 31 March.

Reviewed and adopted on: 17 March 2022 minute number 21/22 320