

Bacton Parish Council Financial Risk Assessment.

Likelihood/Severity 1= Low 2 = Medium 3 = High

The likelihood score is multiplied by the Severity score to give an overall score. The higher this is, the greater the need to implement measures to reduce the score.

Subject	Risk(s) identified				Control Measure				Monitoring and Further Action Required
		Likelihood	Severity	Risk		Likelihood	Severity	Risk	
Precept - Loss of income due to:	Inadequacy of precept	2	2	4	Regular review of budget to actual statement received regularly by full council.	1	1	1	Covered in the Parish Councils Financial Regulations (3) which are viewed annually or when an update from NALC is received. Clerk to ascertain dates for submission and receipt of funds.
	Precept request not submitted to the principal authority by the required date.	1	2	2	Budget and Precept prepared at the November and December Council meetings agreeing by full Council at the January meeting. Clerk to submit before the deadline confirming to full Council submission receipt by MSDC.	1	2	2	
	Precept not paid by District Council	1	3	3	Clerk informs Council when precept money received. (Or if not received by expected date).	1	3	3	

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Financial records	Inadequate Records leading to financial Irregularities.	2	2	4	<p>Regular financial reviews by full Council</p> <p>Financial regulations set out the requirements.</p> <p>Internal Controls are carried out twice yearly by appointed members of the Council.</p>	1	2	2	Financial regulations reviewed and adopted annually by full Council.
Hazard	Potential injury....	Initial Assessment			Control Measure	Residual Assessment			Monitoring and Further Action Required
Assets	Loss or damage resulting in loss of value	2	2	4	<p>An annual review of assets is undertaken for insurance and maintenance provision and asset register updated</p> <p>Compare insurance schedule with asset register at least annually.</p> <p>Review adequacy of public liability insurance regularly.</p>				<p>Existing procedures are adequate.</p> <p>Diary the annual renewal</p> <p>Consider potential losses in Council owned property let to third parties</p>

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Maintenance	<p>Reduced value of assets or amenities.</p> <p>Loss of income or performance</p>	2	2	4	<p>All assets owned by the Parish Council are regularly reviewed and maintained - remove.</p> <p>All repairs and relevant expenditure for these repairs are actioned/ authorised in accordance with the correct procedures of the Parish Council.</p> <p>All assets are insured and reviewed annually</p>	1	2	2	Weekly visual inspection by Parish Warden reporting urgent problems to the Parish Clerk for rapid response, and making summary reports to regular Parish Council meetings.
Insurance - Financial loss due to:	<p>Uninsured risks</p> <p>Inadequate level of cover</p> <p>Cover not renewed</p>	2	5	10	<p>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.</p>	1	1	2	Existing procedure adequate. Review insurance provision annually.
Members interests	Conflict of Interest Register of interest				<p>An item on the agenda to remind all Cllrs of their duty to declare any interest</p> <p>Declarations of interest to be documented.</p> <p>Any conflict addressed as appropriate.</p> <p>Register of members interest forms to be reviewed regularly by Councillors.</p> <p>Council has adopted the Suffolk Code of Conduct.</p>				Existing procedure adequate. Members take responsibility to update their Register

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Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	1	2	2	<p>Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines.</p> <p>Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to the legal requirements.</p> <p>Business conducted at Council meetings should be managed by the Chair.</p>	1	2	2	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct
Legal Powers	Illegal activity or payment	2	4	8	<p>All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used.</p> <p>Councillors and staff receive relevant training as to their legal powers</p>	1	2	2	Existing procedure adequate.
Reserves - earmarked	Adequacy Maintenance Movement	2	4	8	Level of reserves to be considered at Budget setting and regularly during the year	1	2	2	The Council reviews its Financial Regulations regularly.

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CIL reporting	Cil income and reporting	1	1	1	Council to understand restrictions for spending CIL income and to allocate money within 5 years of receipt.	1	1	1	Existing procedure adequate.
		1	1	1	Annual report to be submitted by clerk to MSDC	1	1	1	Existing procedure adequate.
Annual Return	Completion/Submission within time limits	1	2	2	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.	1	1	1	Existing procedure adequate
Audit - Internal	Audit Completion within time limits	1	2	2	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.	1	1	1	Existing procedure adequate

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VAT	Re-claiming/charging	2	4	8	<p>The Council has Financial Regulations which set out the requirements.</p> <p>VAT is considered as part of the regular financial reviews by full Council.</p> <p>VAT is reclaimed quarterly.</p>	1	2	2	Existing procedure adequate
Election costs	More candidates than seats in an election year, resulting a poll being required.	1	2	2	<p>Adequate reserves to be held to cover this eventuality.</p> <p>Reserve fund to set up cost.</p>	1	1	1	Potential election costs to be reviewed and allowed for in budget.
Employees	Sudden and unexpected loss of employee, requiring possibly higher cost of employing a temporary locus while recruiting replacement.	1	2	2	Annual review and appraisal to ensure job pay and conditions are accepted to the employee.	1	2	2	Existing procedure adequate.

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Salaries and assoc. costs	Salary paid incorrectly: Incorrect hours or wrong rate paid; Incorrect payroll deductions. Tax & NI contributions not paid as required to the Inland Revenue resulting in late payment penalty.	1	2	2	Salary rates and hours of work are set annually by the full Council with reference to contract and salary scales provided by NALC.	1	1	1	Existing appointment system adequate. A Confidential session, at a nominated PC meeting, needs to be held to carry out an annual review.
	Council not meeting legislative requirements re workplace pensions	1	2	2	<p>The Clerk’s financial reports at regular Council meetings details actual hours worked and salary due. Tax and NI is calculated by the Clerk using an Inland Revenue computer programme updated annually. Any errors should be picked up by the annual audit.</p> <p>The Clerk has a contract of employment and job description and pension arrangements comply with current legislation.</p> <p>Annual reviews take place are are agreed by full Council in a closed meeting.</p>	1	1	1	Council to monitor workload.

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Bank and banking	<p>Potenital loss through:</p> <p>Inadequate checks on transactions</p> <p>Bank error</p> <p>Unexpected charges incurred</p> <p>Fraud</p>	2	4	8	<p>The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.</p> <p>The Clerk reconciles the bank accounts once a month when the bank statement arrives. Any problems/irregularities are dealt with immediately by informing the bank and awaiting their correction.</p> <p>Monitor the bank statements monthly.</p>	1	2	2	Existing procedures adequate.
Internet Banking	<p>Incorrect payment or electronic amount made.</p> <p>No Monitor on actual electronic payment</p> <p>Payments made without Council approval</p>	2	4	8	<p>Checking of amount before final Submission for payment.</p> <p>Barclays checks name of company against sort code and account no.</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> <p>Protection is in place in the Parish Councils Financial Regulations to prevent internet fraud.</p>	1	2	2	Review annually.

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Cash / Loss	Loss through theft or dishonesty	1	1	1	The Council has Financial Regulations which set out the requirements. No petty cash held	1	1	1	Existing procedure adequate
Payments	Goods not supplied Invoice incorrectly calculated or recorded Cheque made out incorrectly Credit Card (Kept in Clerk's safe)				Purchase invoices matched to good receipt notes where appropriate Clerk checks arithmetic on all invoices before presenting to full Council to agree payment. Signatories compare cheques to invoices and counterfoil before signing/initialling all. Transactions overseen by the Chair Payments listed in meeting minutes. Reconciliation is minuted at each meeting with a non-signatory Councillor checking and signing the bank statements	1	1	1	

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