

FINANCIAL & GENERAL RISK ASSESSMENT

ACTIVITY	POTENTIAL HAZARD	SEVERITY 1-5	LIKELYHOOD 1.5	RISK SCORE	CONTROL MEASURES
Budget - Insufficient funds	Unable to pay creditors or fulfil commitments to local projects	5	1	5	<p>The budget for Council will be reviewed each year by the Finance Committee before the end of November each year. (<i>Financial Standing Orders 3.1</i>)</p> <p>The precept will be presented to the Full Council to be approved before end of January each year. (<i>Financial Standing Orders 3.2</i>)</p>
Bank Procedures	Poor use of public money, precept and accounts called in for detailed audit	3	1	3	<p>The Bank Mandate will be reviewed regularly by Full Council. The Council shall seek credit references for members or employees who act as signatories (<i>Financial Standing Orders 5.1</i>)</p> <p>A schedule of payments forming part of the agenda, together with the relevant invoices shall be presented for authorisation by each meeting of the Council or Committee. (<i>Financial Standing Orders 5.2</i>)</p> <p>All cheques drawn on the bank account in accordance with the schedule will be signed by two authorised signatories of the Council and countersigned by the Clerk. (<i>Financial Standing Orders 6.4</i>)</p> <p>To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation. The signatories shall each also initial the cheque counterfoil and also by the Clerk. (<i>Financial Standing Orders 6.5</i>)</p> <p>If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment. (<i>Financial Standing Orders 6.10</i>).</p> <p>The approval of the use of BACS or CHAPS payment methods shall be renewed by resolution of the Council at least every two years. (<i>Financial Standing Orders 6.9</i>).</p> <p>The Clerk will reconcile all Bank Statements monthly to be agreed and signed off by the Chair and presented at the next Finance Committee Meeting. The financial spot checker will recalculate the monthly bank reconciliation.</p>

ACTIVITY	POTENTIAL HAZARD	SEVERITY 1-5	LIKELIHOOD 1-5	RISK SCORE	CONTROL MEASURES
Excessive Reserves	External auditor cuts precept	5	1	5	Develop and apply an adequate and sufficient reserves policy.
Petty Cash	Insufficient cash to refund receipts				No longer have petty cash
Petty Cash / Cheque storage	Loss of Petty Cash due to burglary / fire Non return of keys / codes by retiring members				No longer hold cash or cheques
Employment of staff	Failure to comply with Health & Safety policies & procedures	5	2	10	Staff training; regular review of risk assessments; regular review of policy documents; provision of appropriate equipment; monitoring of staff health and wellbeing;
	Claim against Council for breach of employment contract	5	2	10	Implementation and regular review of compliant employment policies
	Lone working – Clerk unable to work for an extended period; personal attack;	5	1	5	Access codes to office and computer lodged with Chair in case of emergency; Clerk provided with personal attack alarm; office locked when counting cash receipts; Key worker cover to be included in insurance policy and contingency plans to be developed in case of emergencies.

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VAT – delay in submitting quarterly VAT Return	Loss of bank interest from refund; Loss of entitlement to refund Fine from HMRC	1 3 2	2 1 1	2 3 2	Interest rates extremely low. Submission of VAT returns and any delays will be monitored by Finance Committee Claims shall be submitted regularly and always within the 3-year cap. In the event of an unavoidable delay or query, the Clerk will contact HMRC for advice and agree a suitable action plan to mitigate any possible fine.
Errors in VAT Returns	Overpayment of VAT or loss of refund	2	2	4	Clerk has received training in VAT for Local Councils. Training to be updated regularly. Most sums are small so losses likely to be correspondingly small. Internal auditor undertakes spot checks.
Council exceeds Partial Exemption <i>de minimis</i> limits for Exempt Business Input tax	Council not entitled to reclaim input tax (likely only where major projects undertaken eg. construction, repair or maintenance works)	3	1	3	Specialist VAT advice will be sought in advance of commencement of major construction projects. Ruling to be sought in advance of project commencement from Written Enquiries Team at HMRC, 12 th Floor, Alexander House, Victoria Avenue, Southend-on-Sea, Essex, SS99 1BD. Copy of written ruling to be submitted with VAT126 claims
Making VAT Digital	Requirement to submit digital returns arising mid-year	2	1	2	Compliant Accounting Software being used (Scribe) Digital returns now made quarterly.

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Income	Not paid into bank on regular basis – loss of bank interest	3	1	3	<p>Income received must not be paid into the petty cash float, but must be separately banked. (<i>Financial Standing Orders 6.19 b</i>)</p> <p>The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO. (<i>Financial Standing Orders 9.1</i>)</p>
Loss of records	Electrical failure or corruption of electronic records	3	1	3	<p>PAT testing is to be carried out in all Parish properties bi-annually.</p> <p>Electronic records are backed up to internet cloud storage from which they may be retrieved by an authorised user in the event of computer failure.</p>
	Hacking of accounts	4	2	6	<p>Anti-virus software installed and kept up to date on Council computers. Software is password protected.</p> <p>Data security procedures to be developed and implemented to ensure viruses are not introduced via private data sticks.</p>
Loss of Council records	Loss of prime Council records: Hard copy – due to fire/burglary.	5	1	5	<p>Storage of records in Parish Office. There is an alarm system installed in the Parish Office.</p> <p>Key documents (eg, original property deeds, minutes) to be scanned and archived off site (Shrewsbury Archives / bank) or in a fire safe</p>
Chairman's chain	Theft, loss or damage	4	1	4	<p>Chairman's chain is locked in the safe in the office. The office is alarmed at night, weekends and holidays.</p> <p>Photographic record of chain kept to enable replacement to be made in event of loss or damage</p>

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End of Year Accounts	Failure to meet year-end audit deadlines and requirements	3	1	3	The RFO shall complete the annual financial statement of the Council, including the council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council. (<i>Financial Standing Orders 2.3</i>). Any delays likely to result in failure to achieve the required deadlines shall be notified to the External Auditor as soon as possible and a plan for a deferred submission to be agreed.
	Poor accounting practices	3	1	3	All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations. (<i>Financial Standing Orders 2.1</i>). Any errors identified at Audit stage shall be addressed immediately and any training needs identified.
Audit	Accounts not carried out in accordance with approved accounting practices	5	1	5	The Council will ensure that at least once a year the Council books are audited, by an independent Internal and External Auditor.
	Accounts not certified or qualified by external auditor	4	1	4	The Council shall review its systems of internal controls at least annually The Internal Auditor shall report directly to the full council and make such recommendations for improvements as s/he feels are necessary
	The Council acts <i>ultra vires</i>	5	1	5	The Council will set out and approve an audit plan to ensure all of its activities comply with legislation and approved accounting practices.
Standing Orders	Standing orders become out of step with current legislation or best practice	3	1	3	The Council will ensure that the Standing/Finance Orders are reviewed, amended annually and minuted.

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Assets	Register outdated - inadequate insurance provision	4	1	4	The Clerk will review and update the asset register of all fixed Council property assets every year in March and at insurance renewal and whenever assets are acquired or disposed of. All moveable assets to be marked with SmartWater
Data Processing	Data Breach (GDPR)	3	2	6	Awareness raising and training of staff and Council members in data security
	Fine	3	1	3	Appointment of Data Protection Officer Data audit
	Reputational loss	3	1	3	Privacy notices Consent records
Security of Facilities	Unauthorised copying of keys Vandalism Loss of income Fire Theft	4	4	16	The issue and control of keys to Council facilities shall be under the control of the Deputy Clerk who shall maintain a record of all authorised keys and where appropriate collect a signature and deposit for the supply of keys, refundable on return. Persons found to be in possession of unauthorised keys shall be asked to return them. The Council shall keep security under review and where unauthorised keys are known to be in circulation will replace locks accordingly.

Key to Ratings:

	Impact/Effect
1	Little impact
2	Minimal impact
3	Medium impact
4	Major impact
5	Very serious impact

	Probability
1	Seldom occurs
2	Possible to occur
3	Likely to occur
4	Almost certain to occur
5	Certain to occur

Assessed by: Julie Hodgkiss Date: March 2023

Adopted: Full Council – 17 April 2023

Assessment Review: March 2024