

**Southery Parish Council Risk assessment and management (financial) for the period 1 April 2020 to 31 March 2022**

**The risk management procedures, as documented below, will be confirmed to be in practice by the Internal Auditor on April 2021**

| <b>Topic</b> | <b>Risk Identified</b> | <b>Risk Level<br/>H/M/L</b> | <b>Management of Risk</b>  | <b>Staff action</b>                           |
|--------------|------------------------|-----------------------------|--|---|
| Precept      | Not submitted          | L                           | Full Minute – RFO follow up  | Diary   |
|              | Not paid by DC         | L                           | Confirm receipt  | Diary   |
|              | Adequacy of precept    | H                           | Quarterly review of budget to actual   | Diary   |
| Other Income | Cash handling          | L                           | Cash handling is avoided, but where necessary – appropriate<br>Controls are in place<br>charges should be reviewed annually to ensure correct and adequate.  | Annual review of documented controls          |
|              | Cash banking           | L                           | Segregate duties. Check to bank statements.<br>Regular bank reconciliations<br>charges should be reviewed annually to ensure correct and adequate.<br>Any cash received shall be banked normally within 7 business days. | Member to verify reconciliations taking place |
|              | From Cemetery          | M                           | Burial Register kept up to date for grave allocations. Check of burial register to invoices to undertakers. Check of memorial fees work docket to invoicing.<br>charges should be reviewed annually to                   | Clerk to verify                               |

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|                     |  |   |  |                 |
|---------------------|--|---|--|-----------------|
|                     |  |   | ensure correct and adequate.                               |                 |
| Grants              | Claims procedure   | M | Clerk/RFO check as required                                | Diary           |
|                     | Receipt of grant when due and project completion on time | M | Clerk/RFO check as required                                | Diary           |
| Contract Management | Adequacy   | M | Contract renewal process – Clerk to maintain a spreadsheet | Diary           |
|                     | Goods not supplied to Council                            | M | Quality and control of contracts.                          | Clerk to verify |

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|------------------------------------|--------------------------------------|-----------------------------|--|---|
| Salaries                           | Wrong salary/hours/rate paid         | M                           | Check salary to minute, check hours and rate to contract. Salaries should be authorised at the council meeting. The clerk's fee should be reviewed annually in line with recommendations from NALC. Travelling and other expenses incurred by councillors and clerk while carrying out work for the council should be reimbursed at the rates recommended by NALC. | Member to verify as part of financial records check quarterly |
|                                    | Wrong deductions – NI and Income tax | M                           | Check to PAYE Calculations   | Payroll Contractor to verify                                  |
| Direct Costs and overhead expenses | Goods not supplied to Council        | M                           | Follow up on all orders. Payments should be reported to and authorised by the Council at the meetings.   | Approval check  |

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|                  |   |   |  |                  |
|------------------|---|---|--|------------------|
|                  | Invoice incorrectly calculated or recorded                    | L | Check arithmetic on invoices and perform bank reconciliations on monthly basis   | Member to verify |
|                  | Cheque payable is excessive or to wrong party                 | M | Signatory initials Stub & Voucher. Bank accounts – must be authorised by the council and cheques, withdrawals and transfers must be authorised by two signatories from the council. The clerk may not sign cheques but may initiate transfers between any of the council's accounts. Payments for work already approved at a Parish Council meeting and minuted may be paid by cheque if required, and only if the payment is the same amount as approved. Online banking is approved for use and any payments will be actioned by the Financial Responsible Person, who will print off the confirmation of each payment and attach to the corresponding invoice. Payments will not be made online which haven't been authorised in a meeting. | Approval check   |
| Grants & support | No power to pay or no evidence of agreement of Council to pay | M | Minute council agreement with the power used to authorize payment  | Member 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 | All items in cash book lists   | RFO verify       |
|                  | Charged on sales  | M | Consider annually  | RFO verify       |
|                  | Charged on purchases  | L | Consider all items per cash book lists   | RFO verify       |

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|  |                            |   |                         |            |
|--|----------------------------|---|-------------------------|------------|
|  | Claimed within time limits | M | Agree returns submitted | RFO verify |
|--|----------------------------|---|-------------------------|------------|

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|----------------------|--|-------------------------|--|---|
| Reserves – General   | Adequacy   | L                       | Consider at Budget setting   | RFO opinion. 3 year plan                          |
| 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. An asset register should be maintained and kept on file.      | 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                        |
| Business Continuity  | Loss of Business Continuity  | H                       | Procedures to be written of all Council processes  | RFO to put in place<br>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 –                               | M                       | Annual maintenance inspection.<br>The clerk is authorised to spend up to £500 in the                         | Diary   |

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|                                |                                     |   |  |                   |
|--------------------------------|-------------------------------------|---|--|-------------------|
|                                | loss of income or performance       |   | case of emergency such as a Health and Safety hazard or to ensure the smooth running of the Council, but any such expenditure must be reported to the following Council meeting.   |                   |
| 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. A budget should be prepared annually to enable the precept and fees to be set. Actual results should be compared with budget figures, and variances explained at each meeting. Financial standing orders and the responsibilities of the Responsible Financial Officer to be reviewed annually. | Diary             |
| Minutes                        | Accurate and legal                  | L | Review at following meeting  | Diary             |
| Members interests              | Conflict of interest                | M | Declarations of interest to be documented/minuted and any conflict addressed as appropriate  | Diary             |
| Event Management               | Risk to individuals or property     | L | Insurances, risk assessments, adequate training and licences to be in place when an event is held.   | RFO/member view   |
| Reputation Risk to the Council | Accusation made against the Council | L | Training, Communications protocol, adequate insurance to cover a Councillor's rights   | Clerk/Member view |
| Land Management                | Loss of Parish owned land           | H | Registration, evidence   | Clerk/Member view |
| Website and Technology         | Cyber attack                        | M | Website hosting company contract in place to cover the needs of avoiding such an issue, computer security, password set up for online banking and document security, procedure, annual risk assessment   | Diary             |
| Insurance                      | Paying more to be insured.          | M | Insurance should be reviewed annually to ensure complete and competitive.  | Clerk/Diary       |

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**Adopted March 2020**

Reviewed and adopted on: 2 March 2020

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

To be displayed on the Southery Parish Council website.