

Southery Parish Council Risk assessment and management (financial) for the period 1 April 2023 to 31 March 2024

The risk management procedures, as documented below, will be confirmed to be in practice by the Internal Auditor in April 2023

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

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Adopted March 2020
Reviewed March 2021; March 2022, April 2023

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

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Salaries	Wrong salary/hours/rate paid	L	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	L	Check to PAYE Calculations	Payroll Contractor to verify
Direct Costs and	Goods not supplied to	L	Follow up on all orders. Payments should	Approval check

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overhead expenses	Council		be reported to and authorised by the Council at the meetings.	
	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	L	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	L	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

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VAT	VAT analysis	L	All items in cash book lists	RFO verify
	Charged on sales	L	Consider annually	RFO verify
	Charged on purchases	L	Consider all items per cash book lists	RFO verify
	Claimed within time limits	L	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	L	Annual inspection, update insurance and asset registers	Diary
	Risk or damage to third party property or individuals	L	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	L	Procedures to be written of all Council processes	RFO to put in place Council to review annually
Loss	Consequential loss due to critical damage	L	Review adequacy of Insurance cover	Diary

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	or third party performance			
Maintenance	Reduced value of assets or amenities – loss of income or performance	M	Annual maintenance inspection. The clerk is authorised to spend up to £500 in the 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.	Diary
Legal Powers	Illegal activity or payment	L	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	L	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	L	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	Diary

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			assessment	
Insurance	Paying more to be insured.	L	Insurance should be reviewed annually to ensure complete and competitive.	Clerk/Diary

Reviewed on: 12th April 2023

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.