



Financial Risk Assessment 2023/ 24

	Activity	Hazard	Risk To	Risk Level	Controls to Mitigate Risk	Residual Risk
1	Annual Return	<ul style="list-style-type: none"> •Inability to meet year end close dates. •Omissions/inaccuracies in AGAR return •Late submission - Charges applied 	Parish Council	M	<ul style="list-style-type: none"> •Parish Council to note audit schedule. •Structured deadline procedures. •Parish Clerk/RFO to comply with year-end procedures, to ensure compliance with Annual Return requirements. •Ensure accuracy of AGAR return prior to submission •Role sharing to ensure office resilience during year-end process. 	L
2	Assets	<ul style="list-style-type: none"> •Inaccurate record of assets •Asset register not maintained •Damage/destruction of assets •Damage/injury to third party 	Parish Council	M	<ul style="list-style-type: none"> •Record of Assets to be maintained including additions and disposal of items. •Insurance provider aware of all assets and valuations. •Minimum of annual physical inspection of assets. •Maintenance programme to be implemented 	L
3	Audits – Internal and External	<ul style="list-style-type: none"> •Lack of awareness and or training •Nonconformity with statutes and regulations 	Parish Council	M	<ul style="list-style-type: none"> •Internal audit to be conducted. •Internal Audit contract to be reviewed every three years or sooner if required. •Findings of Internal Audit report to be shared with Parish Council and actioned as soon as practicable. •Co-operation with External Audit requirements and requests 	L

4	Bank and Banking	<ul style="list-style-type: none"> •Insufficient/inadequate reconciliations. •Bank Error/Failure/Loss •Charges 	Parish Council, Staff and Public	M	<ul style="list-style-type: none"> •Financial Regulations and procedures to be implemented. •Quarterly financial reports to be shared with Parish Council for approval. 	L
5	Best Value Accountability	<ul style="list-style-type: none"> •Best Value not achieved due to inadequate management of process •Works awarded inappropriately •Overspend on Services 	Parish Council, Staff and Public	L	<ul style="list-style-type: none"> •Financial Regulations and procedures to be implemented. •Best practice to be implemented prior to any tendering process. •Three quotes to be sought where practicable •Parish Council to review quotes and approve or recommend reason for awarding tender to individual/company. •Works undertaken to be inspected by Parish Clerk or Councillor, or expert to ensure of satisfactory standard •Any issues with works to be investigated by Parish Clerk or Councillor and reported to Parish Council. 	L
6	Budget and Precept	<ul style="list-style-type: none"> •Adequacy of precept and budget setting. •Non or late submission to District Authority •Amount not received by District Authority 	Residents.	L	<ul style="list-style-type: none"> •Budget preparation by Parish Clerk/RFO is to be considered by the Parish Council, considering actual and projected position. •Parish Council reviews information presented and approves the amounts set for specific budget headings for the following financial year. •Explanation of notable variances to be recorded •Virements to be minuted. •Approval of the final budget and precept request to be made by Parish Council, for submission to District Authority by January each year. 	L

7	Business Continuity	<ul style="list-style-type: none"> • Failure of Council continuing business due to unforeseen circumstances. • Long-term sickness. • Unforeseen financial or another crisis 	Residents	L	<ul style="list-style-type: none"> • The finance system Xero is a cloud-based financial system. • The file management system Dropbox is a cloud-based file management system. • The Parish Clerk can work from anywhere via internet access. • Financial Internal controls procedure must be adhered to. 	L
8	Conflicts/Gifts	Inadequate identification and controls regarding conflicts of interest	Parish Council	M	<ul style="list-style-type: none"> • Conflicts declarations (Code of Conduct and Acceptance form) reviewed and revised at the Annual Meeting of the Parish Council. • District Council hold records of Acceptance of Office and Pecuniary Interest forms. • Chair seeks declaration of any conflicts at each meeting and enforces participation restrictions appropriately. 	L
9	Cash	Theft/Dishonesty/Loss	Parish Clerk and Parish Council	M	<ul style="list-style-type: none"> • No cash held. • Council Insurance policy includes Fidelity guarantee 	L
10	Cheque Books	Loss of Cheque Book/Fraudulent use of Cheque book	Residents	L	<ul style="list-style-type: none"> • No cheque books held • Council Insurance policy includes Fidelity guarantee 	L
11	Council Records	<ul style="list-style-type: none"> • Loss of electronic data • Loss through fire/theft/damage/corruption 	Parish Council	L	<ul style="list-style-type: none"> • IT Audit advice implemented. • Electronic copies of records and data held in the cloud. • Documents retention procedures to be adhered to 	L
12	Data Protection	<ul style="list-style-type: none"> • Loss of Confidential Information • Reputational Risk • Lack of awareness or training 	Parish Council, Councillors, Parish Clerk and Public	M	<ul style="list-style-type: none"> • Parish Council is registered with the Information Commissioner Office (ICO) • GDPR training available to staff and councillors • Council information shared only via business emails. • GDPR related policies created, implemented and available to public via website • ICO Certificate renewed annually 	L

13	Election Costs	Inability to meet costs	Parish Council	L	<ul style="list-style-type: none"> •Risk elevated in an election year. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and or uncontested election. •Annual budget provision 	L
14	Financial Records	<ul style="list-style-type: none"> •Inadequate records leading to financial irregularities •Loss through damage/theft/fire/corruption 	Parish Council and RFO	M	<ul style="list-style-type: none"> •Parish Clerk/RFO to ensure implementation of Financial Regulations and best practice within internal controls. •Financial internal controls reviewed regularly •Quarterly assurance inspections to be undertaken. •Full risk review to be undertaken annually •Internal and External Audits to be undertaken at least annually 	L
15	Freedom of Information Act	The Council has a model publication scheme for Local Councils in place.	Parish Council	M	<ul style="list-style-type: none"> •The Council is able to request a fee for any information requested to cover the cost of consumables and the clerk's time. 	L
16	Grants	<ul style="list-style-type: none"> •Power/Authorisation to Pay •Receipts of Grants 	Member of the Public	L	<ul style="list-style-type: none"> •All Grant applications to be considered and approved by Parish Council. •Grant budget reviewed annually •All Grants received to be entered into finance system under separate budget headings •Received Grant expenditure to be recorded under separate budget headings •Terms and Conditions of received Grants must be adhered to 	L
17	Income Stream	Sales ledger invoices not paid	Parish Council	M	<ul style="list-style-type: none"> •Invoices to be issued in timely manner •Receipt of payments to be monitored •Debtors to be proactively monitored by RFO. •Quarterly review of all accounts including debtors to be shared at Parish Council. •Debtors to be actively communicated with, to minimise the value of debt and try to recover costs 	L

18	Insurance Cover	<ul style="list-style-type: none"> •Insufficient cover to meet nature of claim •Cost •Compliance •Fidelity 	Parish Clerk and Parish Council.	L	<ul style="list-style-type: none"> •Insurance cover reviewed annually and premium updated to meet demands. •Additional types of insurance cover taken out to meet diverse situations. •Periodic and specific risk assessments undertaken to ensure compliance 	L
19	Litigation	Legal action taken against Parish Council	Parish Council	M	Insurance cover is comprehensive and includes Public Liability, Fidelity and Legal fees	L
20	Legal Powers	<ul style="list-style-type: none"> •Adoption of Standing Orders and Financial Regulations •Non-compliance with legislation •Ultra vires actions •Appointment of RFO 	Council, Parish Clerk and Public	M	<ul style="list-style-type: none"> • Financial Regulations to be reviewed and adopted annually or as legislation dictates. •Parish Clerk/RFO appointed and duties as per employment written statement of particulars •Parish Clerk/RFO to ensure compliance with legislation, Standing Orders and Financial Regulations and other OAPC procedure(s). •Access to external specialist for advice 	L
21	Meeting Location	<ul style="list-style-type: none"> •Adequacy •Health and Safety 	Parish Council, Parish Clerk and Public	L	<ul style="list-style-type: none"> •Meetings are normally held in Christy Hall. •The premises and the facilities are adequate for the Clerk, Councillors and Public who attend from health & safety, disability, discrimination, and comfort aspects. 	L

22	Payments	<ul style="list-style-type: none"> •Goods not supplied but invoiced/ invoices incorrect/invoices unpaid •Inadequate controls/checks •Fraud/Theft 	Parish Council	L	<ul style="list-style-type: none"> •Invoices recorded upon receipt/ Invoices checked for accuracy/goods received checked on delivery. •Payments list approved minuted at monthly Parish Council Meetings. • Parish Clerk to input purchase ledger invoices to monitor accurate expenditure. Each invoice to state Index number, method of payment, date paid and if available minute reference. •All payments reviewed by RFO. •Payments only to be made to confirmed accounts and not made using account information supplied by email only •Two signatories required for bank accounts •Sufficient signatories maintained on the accounts 	L
23	Reporting	Failure to communicate to Parish Council and external bodies	Parish Council, Staff and Public	L	<ul style="list-style-type: none"> •Quarterly reconciliations and bank statements to be presented to Parish Council •Reports and bank statements made available for signing by councillor at each quarter end meeting. 	L
24	Reserves	<ul style="list-style-type: none"> •Inadequacy of existing funds held •Unforeseen events 	Parish Council, Staff and Public	M	<ul style="list-style-type: none"> •Parish Council can maintain Reserves one of which is General Reserves for expenditure for ongoing costs. •Unbudgeted commitments are approved after an assessment of the impact on existing reserves. •Specific Reserve are documented demonstrating justification and rationale. 	L

25	Risk Assessments	<ul style="list-style-type: none"> •Insufficient risk review undertaken for OAPC assets and activities. •Inadequate Risk Assessments 	Parish Council, Staff and Public	M	<ul style="list-style-type: none"> •Engage with expert if required •Comprehensive risk assessments to be created for all OAPC activities. •Risk assessments undertaken for OAPC assets •Cross check with insurance provider •Supporting rolling programme of inspections and testing to be implemented •Review contractors risk assessment and public liability insurance prior to carrying out works. 	L
26	Staff and Councillor Training	<ul style="list-style-type: none"> •Lack of awareness/training •Potential Legal and Financial liabilities due to incorrect actions/advice taken. 	Parish Council	L	<ul style="list-style-type: none"> •Parish Clerk/RFO to be trained appropriately for role •All councillors to undertake relevant training. •Parish Clerk to ensure best practice are implemented •Parish Council to ensure budget available for training, access to professional bodies and reference materials 	L
27	Staff Salaries and Councillor expenses	<ul style="list-style-type: none"> •Incorrect salary payments - Failure to pay HMRC and/or Pension contributions. •Non-compliance with year-end obligations •Incorrect/fraudulent expense claims 	Parish Council	L	<ul style="list-style-type: none"> •Payroll service undertaken by recognised external payroll administrator to calculate monthly staff payments including mileage and expenses •All expenses submitted to Parish Clerk/RFO for authorisation and receipts reviewed. •BACs payments to HMRC & Pension. •No overtime payments unless exceptional circumstances and approved by Parish Council prior to working. 	L
28	Section 137	<ul style="list-style-type: none"> •S137 payments not recorded in finance system •S137 payments exceed limit •S137 not minuted 	Parish Council	M	<ul style="list-style-type: none"> •S137 payments recorded separately •All S137 payments minuted at Parish Council •Ensure S137 payments are within legal limit 	L
29	VAT/Tax	<ul style="list-style-type: none"> •Errors in calculation. •Incorrect treatment of VAT/Tax resulting in loss •Payments not made to HMRC 	Parish Council	M	<ul style="list-style-type: none"> •Access to VAT/Tax specialist •Accounts system generated VAT return to be submitted quarterly and reconciled 	L

30	Inherent Liabilities	<ul style="list-style-type: none"> •Off Balance sheet cost •Pension •Leases 	Parish Council	M	<ul style="list-style-type: none"> •Annual review of budget and liabilities undertaken •Leases are to be periodically reviewed •Pension liabilities monitored 	L
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Hazard Severity

Low Risk	Trivial/Negligible	Unlikely to occur
Medium Risk	Minor – Severe injury	Occasional occurrence
High Risk	Death - Severe injury	Likely to occur

Risk Matrix

		Severity		
		High	Medium	Low
Probability	High			
	Medium			
	Low			
		Low	Medium	High

Version	Owner	Date Approved	Minute Ref	Website updated	Next Review
V1 – 2023/24	Parish Council				March 2025