

**KEDINGTON PARISH COUNCIL**

**FINANCIAL MANAGEMENT RISK ASSESSMENT**

| <b>Management</b> | <b>Risk(s) Identified</b>                 | <b>Person(s) in danger</b> | <b>Risk<br/>H –<br/>(High)</b> | <b>Risk<br/>M –<br/>(Medium)</b> | <b>Risk<br/>L –<br/>(Low)</b> | <b>Management of Risk</b>  |
|-------------------|---|----------------------------|--------------------------------|----------------------------------|-------------------------------|--|
| Financial         | Inadequate financial control and records  | Parish Council             | -                              | -                                | L                             | Financial Regulations / Standing Orders. Understanding of Governance & Accountability Regulations. Clerk / RFO to ensure regular checks are carried out.<br>Internal Control<br>Internal Audit |
|                   | Loss of records                           | Parish Council             | -                              | -                                | L                             | All records backed up to 'Dropbox' cloud.  |
|                   | Access to bank records                    | Parish Council             | -                              | -                                | L                             | Controls in place for access to bank accounts.   |
|                   | Transfer between bank accounts            | Parish Council             | -                              | -                                | L                             | Transfer agreed and minuted.   |
| Staff             | Loss of key personnel, i.e. Clerk / RFO   | Staff                      | -                              | -                                | L                             | Staff appraisals; Performance Development Reviews for Clerk / Responsible Financial Officer.<br>Locum Clerk - SALC   |
|                   | Hours, health, stress, long term sickness |                            |                                |                                  |                               |  |

| Management                   | Risk(s) Identified           | Person(s) in danger | Risk H – (High) | Risk M – (Medium) | Risk L – (Low) | Management of Risk   |
|------------------------------|------------------------------|---------------------|-----------------|-------------------|----------------|--|
| Precept                      | Not submitted                | Parish              | -               | -                 | L              | Precept agreed and minuted by full Parish Council. Submitted by agreed date.   |
| Precept                      | Not paid by District Council | Parish              | -               | -                 | L              | RFO to follow up if precept not paid by end of April. Check and report to Parish Council.  |
| Precept                      | Adequacy of Precept          | Parish              | -               | -                 | L              | Monthly review of budget and precept setting meeting to decide adequacy of precept. Budget process allows comparisons with previous, current and future years. General Reserves held by Parish Council agreed to be to cover between 3 and 12 months' expenditure. |
| Reserves General & Earmarked | Adequacy                     | Parish              | -               | -                 | L              | Level of reserves to be considered at budget setting and agreed.   |
|                              | Maintenance                  | Parish Council      | -               | -                 | L              | Known reserves ring-fenced and referenced.   |
|                              | Movement                     | Parish Council      | -               | -                 | L              | Movement of reserves by resolution of full Council.  |

| Management  | Risk(s) Identified  | Person(s) in danger             | Risk<br>H - High | Risk<br>M -<br>Medium | Risk<br>L - Low | Management of Risk  |
|-------------|---|---------------------------------|------------------|-----------------------|-----------------|---|
| Salaries    | Wrong salary paid<br>Wrong hours paid<br>Wrong hourly rate paid | Parish Clerk<br>Village Cleaner | -                | -                     | L               | Salaries agreed by Parish Council. RFO/Clerk calculates monthly salary. Account signatory checks same before payments authorised- |
|             | Wrong deductions – N.I.<br>Wrong deductions - Tax               | Parish Clerk<br>Village Cleaner | -                | -                     | L               | RFO/Clerk will check PAYE and N.I. calculations and contact H M Revenue & Customs if necessary.                                   |
| Assets      | Loss, damage, etc.  | Parishioners                    | -                | M                     | -               | Annual inspection; update insurance and Asset Register.   |
|             | Risk of damage to third party property or individuals           |                                 | -                | M                     | -               | Review adequacy of Public Liability Insurance yearly.   |
| Maintenance | Poor performance of assets or amenities                         | Parish                          | -                | -                     | L               | Monthly and Annual maintenance inspections of play equipment. Annual Street Furniture Condition Report.                           |

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|------------------------------------|--|---------------------|------------------|-----------------------|-----------------|---|
| Insurance                          | Adequate level of cover  | Parish Council      | -                | -                     | L               | Insurance renewed and reviewed annually with adequate level of fidelity guarantee               |
|                                    | Not under insured  | Parish Council      | -                | -                     | L               |   |
|                                    | Consequential loss due to critical damage or third party performance | Parish Council      | -                | -                     | L               | Insurance cover, review adequacy  |
|                                    | Cash – loss through fraud, theft or dishonesty of staff              | Parish Council      | -                | -                     | L               | Ensure adequacy of fidelity guarantee insurance   |
| Litigation                         | Potential risk of legal action being taken against council           | Parish Council      | -                | -                     | L               | Insurance is adequate for requirements but there are still risks of other claims. Review.       |
| Legal Powers                       | Illegal activity or payment  | Parish Council      | -                | -                     | L               | Training for Clerk / RFO and Councillors. Educate Council as to their legal powers              |
| Council Records                    | Access to records held on Council owned computer                     | Parish Council      | -                | -                     | L               | Documents backed up to 'Dropbox' cloud. Paper copy of access code given to Chair and Vice-Chair |
| Direct costs and overhead expenses | Goods not supplied   | Parish Council      | -                | -                     | L               | Clerk/RFO to check order  |
|                                    | Incorrect invoice  |                     | -                | -                     | L               | Clerk/RFO to check invoice  |
|                                    | Excessive payment  |                     | -                | -                     | L               | Account signatory checks same   |
|                                    | Payment to wrong party   |                     | -                | -                     | L               | before payment authorised.  |

| Management            | Risk(s) Identified                  | Person(s) in danger | Risk<br>H - High | Risk<br>M -<br>Medium | Risk<br>L - Low | Management of Risk  |
|-----------------------|-------------------------------------|---------------------|------------------|-----------------------|-----------------|---|
| Councillor Allowances | Councillors overpaid                | Parish Council      | -                | -                     | L               | Claim form checked by Clerk/RFO before payment is made  |
| Governance            | Standing Orders                     | Parish Council      | -                | -                     | L               | New Standing Orders adopted in May 2022. To be reviewed in May 2024 and biannually thereafter.  |
|                       | Financial Regulations               |                     | -                | -                     | L               | Financial Regulations adopted in March 2024 and reviewed annually.  |
|                       | General Data Protection Regulations |                     | -                | -                     | L               | The Council is registered with the Information Commissioners Office. Annual subscription is paid by Direct Debit (Clerk to monitor). The Clerk will keep up to date with current legislation and inform Council of any changes. |

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|------------------|---|---------------------------|------------------|-----------------------|-----------------|---|
| Grants           | Power to pay  | Parish Council            | -                | -                     | L               | Minute power and show in separate heading on finance statements.  |
|                  | Agreement of Council to pay   | Parish Council            | -                | -                     | L               | Each application has to be granted by resolution and minuted.   |
|                  | Conditions agreed   | Parish Council            | -                | -                     | L               | Grants Policy implemented in May 2022. To be reviewed biannually.   |
| VAT              | VAT reclaim is actioned by Clerk/RFO on a quarterly basis   | Parish Council            | -                | -                     | L               | VAT reclaimed in line with cashbook entries by Clerk/RFO.   |
| Agendas/Meetings | Compliance with notice period and number of meetings required per annum in accordance with LGA 1972 | Public and Parish Council | -                | -                     | L               | Forward Planning<br><br>Agenda is produced in the prescribed manner by the Clerk and adheres to legal requirements and best practice guidelines in accordance with LGA 1972. Agenda is placed on website and all Notice Boards. |

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|---|--|---|------------------|-----------------------|-----------------|---|
| Minutes/ Notices<br>Statutory Documents   | <p>Compliance with notice period and number of meetings required per annum in accordance with LGA 1972</p> <p>Minutes are accurate and legal and in accordance with LGA 1972</p> | Parish Council                                      | -                | -                     | L               | <p>Minutes are reviewed and agreed as a true record at the next Parish Council meeting. Approved minutes and accompanying documents are put on Parish Council website. A hard copy of the minutes is available on request from the Parish Council Office.</p> <p>Statutory documents available on Parish Council website.</p> |
| Members' Interests<br><br>Code of Conduct | <p>Conflict of interest and failure to declare Disclosable Pecuniary Interests and Other Registerable Interests at meetings</p> <p>Breaching the Code of Conduct</p>             | <p>Parish Councillors</p> <p>Parish Councillors</p> | -                | M                     | -               | <p>Ensure Councillors are aware to update Register of Members' Interests where appropriate.</p> <p>Kedington Parish Council adopted the Local Government Association Model Councillor Code of Conduct 2020 in May 2022.</p>   |

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|---------------------------------------|---|---------------------|------------------|-----------------------|-----------------|--|
| Council Records<br>Paper / Electronic | <p>Access to records held on Council owned computer and hard copies in locked cabinets</p> <p>Risk loss through theft, fire, computer hacking / corruption. Password loss</p> | Parish Council      | -                | -                     | L               | <p>Kedington Parish Councils electronic records are stored on the computer. Both desktop and laptop are password protected. Backup of files is undertaken at regular intervals using 'Dropbox' cloud storage.</p> <p>Passwords are held by Chair and Vice-Chair in sealed envelope away from office.</p> <p>All documents are kept in locked cabinets and keys held by Clerk/RFO</p> |
| Election Costs                        | <p>Costs need to be verified with District Council in advance and included in budget in readiness</p>   | Parish Council      | -                | -                     | L               | <p>Liaison with District Council before Election year so amount can be budgeted for. Reserve fund should be set up to cover costs of a Parish Poll. Reserve fund to be reviewed after election term (4 years) or whenever depleted due to a Parish Poll.</p>   |

Approved on: 26<sup>th</sup> March 2024 KPC 129-10

Date of review: March 2025