

Bacton Parish Council - Financial & General Operational Risk Assessment

Likelihood/Severity 1= Low 2 = Medium 3 = High

Likelihood multiplied by Severity of Impact = Risk Score. The higher a score the greater the overall risk.

Subject	Risk(s) identified	Likelihood	Severity	Risk Score	Control Measure	Likelihood	Severity	Mitigated Risk Score	Comments and any Further Mitigation
Precept	Inadequacy of precept	1	2	2	The Council has a comprehensive budgeting process and receives regular financial statements.	1	1	1	Covered in Financial Regulations (3) which are reviewed annually and based on national template.
	Precept requirement not submitted to the principal authority by required date.	1	2	2	Budget and precept decided in time; Precept requirement submitted to DC in week in which it is decided.	1	2	2	Submission (and receipt by DC) reported at next meeting.
	Precept not paid by District Council	1	3	3	Receipt of Precept reported to Council	1	3	3	Retention of adequate reserves.
Financial records	Inadequate Records leading to financial disorder or irregularities	2	2	4	Regular financial reports considered by Council Requirements set out in Financial Regulations	1	2	2	Financial regulations reviewed and adopted annually by Council
	Loss of electronic records	1	3	3	Periodic review of Computer System	1	1	1	Regular back-ups to separate medium.
Assets	Loss or damage Risk to third party	2	2	4	An annual review of assets is undertaken for insurance and maintenance provision and asset register kept updated Compare insurance schedule with asset register at least annually and adequacy of public liability insurance reviewed annually.	1	2	2	
Maintenance of assets	Reduced value of assets or amenities. Loss of income or performance	2	2	4	Visual inspection schedule in place; Repairs actioned in accordance with procedures. Assets are insured.	1	2	2	
Insurance	Uninsured risks / Inadequate level of cover Cover not renewed	2	3	6	Annual review for adequacy and comprehensiveness undertaken prior to policy renewal, which is then reviewed by Council	1	2	2	Insurance provision reviewed in light of significant changes in assets or activities mid-year.

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Members interests	Conflicts of Interest	1	2	2	<p>Every agenda prompts Cllrs re their duty to declare any interests.</p> <p>Declarations of interest are minuted.</p> <p>Conflicts addressed as appropriate.</p> <p>Training and guidance must be given to incoming members.</p>	1	2	2	Members take responsibility to update their Register entries in reaction to changes.
Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality	1	2	2	<p>Minutes and agendas are produced by experienced staff.</p> <p>Minutes are approved and signed at the following Council meeting.</p> <p>Minutes and agendas are displayed on website according to the legal requirements.</p> <p>Business conducted at Council meetings managed by the Chair under guidance of the Clerk.</p> <p>Training and guidance must be given to an incoming Councillors.</p>	1	2	2	Training proposed for current year
Legal Powers	Conducting activity or making payments that fall outside the statutory powers of the Council	2	3	6	<p>Clerk advises on such matters (and seeks advice, e.g. from SALC, when necessary)</p> <p>All activity and payments must be authorised and minuted at Council Meetings.</p> <p>Councillors and staff receive relevant training as to their legal powers and responsibilities.</p>	1	2	2	Training proposed for current year
Internal Audit, Annual Return and External Audit	Failure to complete/ submit within time limits	1	2	2	<p>An annual timetable is in place.</p> <p>Internal auditor is appointed by the Council with clear terms.</p> <p>Internal auditor is supplied with the relevant documents to audit and the relevant Return forms to review/ complete, ready for approval and submission to external auditor.</p> <p>Clear and up to date financial records through year.</p>	1	1	1	
VAT	Loss due to failing to reclaim	2	3	6	<p>The Council has Financial Regulations which set out the requirements.</p> <p>VAT is reclaimed annually.</p> <p>Annual VAT receipt is reported as part of the regular financial reports to Council.</p>	1	2	2	
Election costs	Risk of election costs arising (due to more candidates than seats in an election year resulting in a	1	2	2	<p>Reserves to be held to cover/part-cover costs.</p> <p>Potential election costs to be reviewed and allowed for in annual budget</p>	1	1	1	Risk is higher in election year.

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	poll being required).								
CIL Reporting	Ineligible expenditure CIL Income being clawed back under 5 year rule.	1	1	1	Clerk advises on the restrictions of the CIL spending regime and ensures that funds are allocated within 5 years of receipt. Annual CIL report to DC considered by Council.	1	1	1	
Employees	Sudden / unexpected loss of employee (operational and financial impacts).	3	3	9	Reference to Continuity Plan should be made in case of loss of key personnel. Annual review and appraisal to ensure job, pay and conditions are appropriate.	2	2	4	
Salaries and associated costs	Salary paid incorrectly: wrong pay rate paid. False employee Wrong deductions of NI or Tax or unpaid tax & NI contributions to the Inland Revenue Council not meeting legislative requirements re workplace pensions.	1	2	2	Salary rates and hours of work are set by the Council (with reference to contract and salary scales provided by NALC). Financial reports to Council detail actual payments (pre-authorisation) Tax and NI is calculated using HMRC approved software, updated annually. Staff have contracts of employment, job descriptions and pension arrangements that comply with current legislation.	1	1	1	
Access to electronic files	Loss of access	2	3	6	Passwords are retained securely by the Clerk in a locked cabinet. A copy of password information kept in a sealed envelope available to the Chairman in case of extreme emergency. No work is undertaken on a computer to which the public has access. Computer and sites are password protected.	1	3	3	Action required

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Bank and banking	Inadequate checks on transactions } Invoices incorrectly calculated or recorded } Payments made out incorrectly.}	1	3	3	Financial Regulations set out the requirements for banking, payments and reconciliation of accounts. List of payments approved by Council and signed by the Chairman. Two signatories compare invoices against approved payment schedule and authorise internet payments (or sign cheques) against the schedule. Schedules of approved payments retained with minutes of council meetings.	1	2	2	
	Bank errors/ Unexpected charges incurred	1	3	3	The Clerk reviews and reconciles bank accounts monthly. Problems/irregularities are dealt with immediately by informing the bank and awaiting correction. Clerk investigates queries in the interim by viewing the account outline.	1	2	2	
	Internet Fraud	2	3	3	Council carries out an internal audit annually to ensure compliance with Fidelity guarantee	1	2	2	
	Inability to make payments due to insufficient signatories	1	1	1	Financial Regulations protocol to prevent internet fraud. At least three members to be authorised on the bank mandate.	1	1	1	
Reserves	Adequacy	2	3	6	Levels of reserves are considered at Budget-setting and regularly during the year	1	2	2	
Data Protection	Compliance with General Data Protection Policy (GDPR)	1	3	3	Clerk ensures that data is managed appropriately and that the website complies with latest legislation.	1	2	2	
Cash	Loss through theft or dishonesty	1	1	1	The Council does not keep petty cash and rarely receives cash. Protocol in place for cash receipts.	1	1	1	

This risk assessment was reviewed by a meeting of the Council on 12th June 2023 and approved as drafted/ as amended

Signed: _____ Chair

Signed: _____ Clerk