



Financial Risk Assessment Beachamwell Parish Council

January 2024

RFO / Parish Clerk

Sarah Hunt

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organization's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

This document has been produced to enable the Parish Council to assess the financial risks that it faces and satisfy itself that it has taken adequate steps to minimize them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focused approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses and revises procedures if required.

FINANCIAL MANAGEMENT				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Review/Assess/Revise
Business continuity	Council not being able to continue its business due to an unexpected or tragic circumstance.	MEDIUM	<p>All files and recent records are kept in the Clerk's office. Electronically files are held on OneDrive and the passwords are available in the event of the Clerk becoming unavailable.</p> <p>In the event of the clerk being unavailable due to unexpected or tragic circumstance then Norfolk Parish Training and Support (NPTS) or Norfolk Association of Local Councils can be contacted to provide immediate locum cover if necessary Banking access is documented within passwords data to enable payments to be originated.</p>	
Council Paper records	Loss through theft, fire, damage	LOW	<p>The majority of files and all recent paper records are kept in the Clerk's office in a designated filing cabinet. Electronic files are held on Onedrive.</p> <p>Any documents of historical value are deposited at the Norfolk Records Office.</p> <p>Retention Policy ensures unnecessary documents are not retained.</p>	As the archives are sorted, relevant documents are added and removed.

Precept	<p>Adequacy of precept to enable the Council to carry out its Statutory duties</p> <p>Failure to submit Precept request.</p>	LOW	<p>The Council reviews bank reconciliations and budgetary reports regularly.</p> <p>The full council agrees precept at a scheduled meeting – Clerk submits application to Breckland District Council immediately following meeting.</p> <p>Unexpected expenditure – Council to build adequate earmarked and general reserves.</p>	<p>Clerk to ensure precept request is submitted and correct bank details are available to District Council.</p> <p>To be included within budgetary process.</p>
Insurance		MEDIUM	<p>Insurance cover reviewed annually on 1st October each year at expiration of previous policy</p> <p>Asset register is reviewed annually and updated during the year by the Clerk as acquisitions and disposals dictate.</p>	<p>Review annually at Full Council.</p> <p>Maintenance review undertaken in the Summer.</p>
Banking	<p>Inadequate checks</p> <p>FSA savings protection rules</p>	<p>LOW</p> <p>MEDIUM</p>	<p>The Council adheres to 'Financial Regulations', which set out the requirements for banking, cheque, internet bank processing and reconciliation of accounts.</p> <p>A bank reconciliation is carried out bi-monthly. Online banking used and Scribe software which produces excellent reports for councillors.</p> <p>No more than £85,000 should be held in a single Bank</p>	<p>Existing procedures adequate</p> <p>Financial Regulations to be reviewed annually and review formally recorded.</p> <p>Use of online banking improves efficiency of checks. Software produces adequate reports.</p> <p>Signatories minuted and updated as necessary to maintain awareness of who has access.</p>

Cash	Loss through Theft or dishonesty	LOW	The Council has no petty cash or float. Any cash transactions made by the clerk, are fully receipted and then reimbursed monthly or paid by cheque on receipt of an invoice	Clerk makes all payments electronically and reclaims via refund process at full meetings. Receipts provided. .
Financial controls and records	Inadequate checks	LOW	<p>Bi-monthly reconciliation prepared by RFO and checked as per Financial regulations. Two signatories are required on cheques and BACS.</p> <p>Electronic transactions uploaded by Clerk and authorized by 2 councillors who have access to electronic PDF's of all invoices which are emailed out with request to authorize.</p> <p>Internal and external audits are carried out in accordance with legislation.</p> <p>Any financial obligation must be resolved and clearly minuted before any commitment.</p> <p>All payments are resolved and included within the minutes.</p> <p>External and internal audit report is available to the council and on the Council's website.</p>	Current status reviewed and deemed satisfactory.
VAT	Re-claiming / charging	LOW	<p>The Council has financial regulations, which set out the requirements for reclaiming VAT.</p> <p>Clerk keeps continuous record of VAT payments and has undertaken training to ensure that all VAT possible is reclaimed.</p>	Current status reviewed and deemed satisfactory.

			Reclaims made at least annually.	
Employee Salary / Pension Obligations	Failing to meet statutory obligations on TAX/NI/Pensions	LOW	Statutory requirements must be met. Clerk has undertaken necessary training.	
Contract Management	Administration of contracts not formally documented.	LOW	Guide included within Financial Regulations.	Deemed adequate as no large contracts anticipated.
Annual Return	Not submitted within time limits Not meeting the requirement of the Annual Governance Statement	LOW LOW	Annual return is completed and signed by the Council, submitted to the Internal Auditor for completion and signing, then checked and sent on to the External Auditor within time limit.	Existing procedures adequate Current status reviewed and deemed satisfactory.

Appendix 1

BEACHAMWELL PARISH COUNCIL RISK ASSESSMENT SCHEDULE TO BE REVIEWED ANNUALLY

ITEM	FREQUENCY	LAST REVIEWED	COMMENT / ACTION	ACTION
<p>Parish Council Insurance</p> <p>Including: Public and Employers Liability Money and Fidelity Guarantee Personal Accident</p>	Annually	October 2023	Clerk satisfied with service to date.	
<p>Assets inspection</p>	Annually – Councillors aware of all assets and any deficits brought to the attention of the Clerk.	Summer 2023		
<p>Financial Matters</p> <p>Banking Arrangements</p> <p>Insurance Providers</p> <p>VAT Return completed</p> <p>Budget agreed, monitored and reported</p> <p>Precept requested</p> <p>Payment's approval procedure</p> <p>Bank reconciliation overseen by Chair</p>	<p>Annually – at a minimum</p> <p>Annually</p> <p>Annually – at a minimum</p> <p>At each meeting</p> <p>Annually</p> <p>At each meeting</p> <p>At each meeting</p>			

Clerks' salary reviewed and documented	Annually			
Internal Audit	Annually			
External Audit	Annually			
Internal check of financial procedures	Annually			
Administration				
Asset register updated	Annually			
Financial Regulations reviewed	Annually			
Standing Orders reviewed	Annually			
Employers Responsibilities				
Contract of employment in place	Annually	At appointment		
Contractors' indemnity insurance	On award of contract			

Member's responsibilities				
Code of Conduct adopted	May 2023 – reviewed as necessary			
Register of Interests completed and updated	Annually each May.			
Declaration of Interests minuted	Monthly			

The information given above was updated and agreed at the Full Council meeting on 9th January 2024