

Lackford Parish Council

Risk Assessment

Risk assessment and management (financial) for the period 1 April 2022 - 31st March 2023

| Topic | Risk Identified | Risk Level H/M/L | Management of Risk | Action | Action completed |
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| Precept | Not submitted | L | Prepare budget in November, submit precept request in January | Clerk to add to list of actions | December 2022 |
| | Not paid by SEBC | L | Confirm receipt | Clerk to add to list of actions | Added to May 2023 financial checklist |
| | Adequacy of precept | L | Prepare budget in November, review budget in March | Clerk to add to list of actions | Budget reviewed March 2023 |
| Other income | Cash handling | L | Cash handling is avoided, but where necessary appropriate controls are in place | Annual review of Financial Regulations and controls Councillor to verify cash receipts. | December 2022 |
| Grants | Claims procedure | M | Clerk to ensure that the correct procedure is followed | Councillor to verify. Verification to be minuted. | One grant was received in 2022/23 – Suffolk County Council locality funding for a community bench. |
| | Receipt of grant when due | M | Clerk to ensure that the grant has been received | Councillor to verify. Verification to be minuted. | Receipt of grant minuted at meeting on 27 th March 2023. |
| Salaries | Wrong salary/hours/rate paid | M | Clerk to calculate salary, hours and rate to contract. | Councillor to verify. Verification to be minuted. | Checked at meeting on 12 th December 2022 |
| | Wrong deductions - NI and income Tax | M | Clerk to use HMRC's RTI PAYE tool to ensure deductions are calculated correctly. | Councillor to verify. Verification to be minuted. | Verified at the meeting on 13 th March 2023 and minuted. |
| Direct costs and expenses | Goods not supplied to Council | M | Clerk to follow up on all orders. | Council to check invoice and confirm receipt of goods before payment. | The clerk confirms receipt of all goods before payment. Invoices are verified at meetings. |
| | Invoice incorrectly calculated or recorded | L | Clerk to check arithmetic on invoices and perform monthly bank reconciliations | Councillor to verify. | The clerk checks invoices when they are received. Invoices are verified at meetings |

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| | Cheque payable is excessive or to the wrong party | M | Signatory to sign invoice and initial stubs or payment schedule | Councillor to verify. | Cheques are rarely used but all cheques are checked against the relevant invoice and signed by two signatories. |
| Grants and support | No power to pay or no evidence of agreement of Council to pay | M | Clerk to minute council agreement with the power used to authorise payment | Councillor to verify. | All payments are minuted and the correct power listed. |
| | Conditions agreed | L | Clerk to present documents and any conditions to Council for approval. | Clerk to ensure any conditions are minuted. | No grants were made. |
| Election costs | Invoice at agreed rate | L | Clerk to check. Council to consider future election costs as part of the budget. | Clerk to include in budget. | The Council has allocated funds to cover election costs. The 2019 election was uncontested therefore election costs were minimal. |
| VAT | VAT not recorded separately for invoices where VAT paid | L | Clerk to ensure VAT is recorded separately in the accounts | Councillor to verify. | Clerk records VAT separately in the accounts. This is checked at year end. |
| | VAT not claimed within time limits | M | Clerk to ensure VAT is claimed at the end of each financial year | Councillor to verify. | Claimed April 2022. Next claim will be made April/May 2023 |
| Reserves - general | Adequacy | L | Clerk to review when setting the budget | Council to confirm | Reserves confirmed at meeting on 13 th March 2023 |
| Reserves - earmarked | Adequacy | L | Clerk to review when setting the budget | Council to confirm | Earmarked reserves confirmed at meeting 13 th March 2023. |
| Assets | Loss/damage etc | M | Councillor to inspect Council property annually. Clerk to update insurance and asset register. | Clerk to add to list of actions | Insurance checked by clerk in February March and asset register updated. Councillor appointed to check Council property at meeting on 13 th March 2023. |
| Public liability | Risk or damage to third party property or individual | M | Review adequacy of public liability insurance | Clerk to add to list of actions | Level of liability insurance reviewed at meeting on 13 th March 2023. |
| Staff | Loss of key personnel (clerk) | L | Monitor hours, health, stress of clerk and manage as appropriate | Council to monitor | The clerk is the sole employee. She has a good working relationship with the Council and informs them if her |

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| | | | | | workload is excessive |
| | Fraud by staff | L | Ensure that Financial Regulations are complied with. Ensure that the Council has an adequate level of Fidelity Guarantee. | Councillor to complete checklist of internal controls at every meeting. | Completed at every meeting as part of checklist of internal financial controls. Bank statements are checked against Scribe accounts. The level of fidelity guarantee is reviewed annually at the March meeting. |
| Maintenance | Reduced value of assets or amenities - loss of income or performance | M | Councillor to inspect Council property annually. | Clerk to add to list of actions | Council property inspected April 2022 Next inspection due April 2023 |
| Legal powers | Illegal activity or payment | L | Clerk to ensure Council is aware of its legal powers and to check when not sure | Clerk to include legal power in the minutes against payments to be authorised and to check Council has the legal power to carry out a specific action | All payments are minuted and the correct power listed. Clerk backs up all files regularly |
| Financial records | Inadequate records | L | Clerk to keep adequate records | Internal controls and annual audit ensure financial records are adequate. | The Council's internal controls are checked by a councillor at every meeting and by an independent internal auditor. |
| Minutes | Accurate and legal | M | Declarations of interest to be documented/minuted and any conflict addressed as appropriate | Council to check the accuracy of minutes before approval and signing by the Chairman. | Minutes are checked before signing. 'Declaration of Interest' is an item on every agenda. Any declarations are minuted. |

Reviewed: March 2023