EARL SOHAM PARISH COUNCIL **for the period 1 April 2024 to 31 March 2025** **Risk assessment and management (financial)**

**07/11/2024**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Topic | Risk Identified | Risk  Level  H/M/L | Management of Risk | Staff action |
| Precept | Not submitted | L | Full Minute – RFO follow up | Diary |
|  | Not paid by DC | L | Confirm receipt | Diary |
|  | Adequacy of precept | H | Quarterly review of budget to actual | Diary |
| Other Income | Cash handling | L | Cash handling is avoided, but where necessary – appropriate Controls are in place | Annual review of documented controls |
|  | Cash banking | L | Segregate duties. Check to bank statements. Regular bank reconciliations | Member to verify reconciliations taking  place |
|  | From Cemetery | M | Burial Register updated daily for grave allocations. Check of burial register to invoices to undertakers. Check of memorial fees work dockets to invoicing. | Member to verify |
|  | From  Allotments | M | Check allotment register to Invoices | Member to verify |
| Grants | Claims procedure | M | Clerk/RFO check as required | Diary |
|  | Receipt of grant when due | M | Clerk/RFO check as required | Diary |
| Investment Income | Receipt when due | L | Clerk/RFO check as required | Diary |
|  | Surplus funds | L | Review levels and investment policy annually + | Diary |

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| --- | --- | --- | --- | --- |
| Topic | Risk Identified | Risk  Level  H/M/L | Management of Risk | Staff action |
| Salaries | Wrong salary/hours/rate paid | M | Check salary to minute, check hours and rate to contract | Member to verify |
|  | Wrong deductions – NI and Income tax | M | Check to PAYE Calculations | Member to verify |
|  | Self employed status challenged | M | Agree with Inland Revenue self employed status | Obtain letter from Inland Revenue and keep on file |
| Direct Costs and overhead expenses | Goods not supplied to Council | M | Follow up on all orders | Approval check |
|  | Invoice incorrectly calculated or recorded | L | Check arithmetic on invoices and perform bank reconciliations on monthly basis | Member to verify |
|  | Cheque payable is excessive or to wrong party | M | Signatory initials Stub & Voucher | Approval check |
| Grants & support | No power to pay or no evidence of agreement of Council to pay | M | Minute council agreement with the power used to authorize payment | Member verify |
|  | Conditions agreed | L | Agree and document any reasonable conditions | RFO check |
| Election Costs | Invoice at agreed rate | L | RFO check and consider budget | RFO verify |

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| --- | --- | --- | --- | --- |
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| Reserves – General | Adequacy | L | Consider at Budget setting | RFO opinion. 3 year plan |
| Reserves –  Earmarked | Adequacy | L | Consider at Budget and review of final accounts | RFO opinion |
|  | Unidentified Earmarked or Contingent liability | L | Review minutes | RFO/member view |
| Assets | Loss, Damage etc | M | Annual inspection, update insurance and asset registers | Diary |
|  | Risk or damage to third party property or individuals | M | Review adequacy of Public Liability Insurance | Diary |
| Staff | Loss of key personnel (Clerk) | L | Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate | RFO/member  view |
|  | Fraud by staff | L | Fidelity Guarantee value appropriately set | Council to review annually |
| Loss | Consequential loss due to critical  damage or third party performance | L | Review adequacy of Insurance cover | Diary |
| Maintenance | Reduced value of assets or amenities – loss of income or performance | M | Annual maintenance inspection | Diary |
| Legal Powers | Illegal activity or payment | H | Educate Council as to their legal powers | Diary |
| Financial Records | Inadequate records | L | RFO/clerk check regularly + internal audit review | Diary |
| Minutes | Accurate and legal | L | Review at following meeting | Diary |
| Members  interests | Conflict of interest | M | Declarations of interest to be documented/minuted and any conflict addressed as appropriate | Diary |

Reviewed and adopted on:\_\_07/11/2025\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Note: Risk assessment must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.