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

**07/11/2024**

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| --- | --- | --- | --- | --- |
| 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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| --- | --- | --- | --- | --- |
| Topic   | Risk Identified  | Risk Level H/M/L  | Management of Risk  | Staff action  |
| 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.