

FRETtenham PARISH COUNCIL



FINANCIAL RISK ASSESSMENT AND RISK POLICY STATEMENT

Notes

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. Making sure that all employees are made aware of the results of the risk assessment.

This document was reviewed and presented to the Parish Council meeting on **14th March 2025** to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed.
- Identify what the risk may be.
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise annually.

FINANCIAL AND MANAGEMENT

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Precept	Adequacy of precept	L	To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full Council. At the Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings obtained by the Clerk.	Existing procedure adequate
	Requirements not submitted to District Council	L	With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from the District Council. This figure is submitted by the Clerk in writing to the District Council.	Budget and Precept to be presented and agreed by January of the preceding year.
	Amount not received by District Council	L	The Clerk informs Council when the monies are received (approx. May and October).	Existing procedure adequate
Financial Records	Inadequate records	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate. Review the Financial Regulations at least annually.
	Financial irregularities	L		

Bank and Banking	Inadequate checks Bank mistakes Loss Charges	L L L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. The bank does make occasional errors in processing cheques which are discovered when the Clerk reconciles the bank accounts once a month when the statements arrive, these are dealt with immediately by informing the bank and awaiting their correction.	Existing procedure adequate. Review the Financial Regulations at least annually and bank signatory list when necessary, especially after an AGM and an election. Reconcile the bank statements monthly.
Cash	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements. Cash received is banked within 3 banking days or as soon as is practical. Payments to be made by BACs or cheque. There is no petty cash or float.	Existing procedure adequate. Review the Financial Regs annually Avoid keeping cash income
Reporting and Auditing	Information communication Compliance	L M	A monitoring statement is produced regularly before each Council meeting with the agenda, discussed and approved at the meeting. This statement includes, bank reconciliation, budget update, and a breakdown of receipts and payments balanced against the bank. Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing communication procedures adequate. Internal Control to ensure Fidelity Compliance
Direct costs Overhead expenses Debts	Goods not supplied but billed Incorrect invoicing Cheque payable incorrect Loss of stock Unpaid invoices	L L L L L	The Council has Financial Regulations which set out the requirements. At each Council meeting the list of invoices for payment is produced for approval by the Parish Council. One Councillor is nominated to check each invoice against the payment list and cheque book (if used) or online payments and associated paperwork and initials the invoices. Council approves the list of requests for payment. The Council has minimal stocks, these are checked and monitored by the Clerk. Unpaid invoices to the Council for services are pursued and where possible, payment is obtained in advance.	Existing procedure adequate. Review the Financial Regulations annually. Internal Control checks monthly payment lists against invoices & monthly bank reconciliation totals against bank statements
Grants and support - payable	Power to pay Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval, minuted and listed accordingly.	S.137 applied.
Grants - receivable	Receipts of Grant	L	The Community Council does not presently receive any regular grants. One off grants would come with terms and conditions to be satisfied. Banked and entered in the accounts.	Procedure would need to be formed, if required.
Best value Accountability	Work awarded incorrectly Overspend on services	L M	Normal Community Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would	Existing procedure adequate. Include when reviewing Financial Regulations.

			investigate the situation, check the quotation/tender, research the problem and report to Council.	
Salaries and associated costs	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue	L L L L L L	The Community Council authorises the appointment of all employees. Salary rates are assessed annually and applied on 1 April or anniversary of appointment each year. Salary breakdown forms are produced of the payroll monthly together with a schedule of payments to the Inland Revenue (for Tax and NI if applicable). These are inspected by Internal Auditor and payment approved at monthly Council meetings. All Tax and NI payments are submitted in the Inland Revenue Annual Return. Each staff member has a contract of employment and job description. The Clerk keeps a time sheet. All contracts of employment include info on overpayment and recoup.	Existing appointment and payment system is adequate.
Employees	Absence of Clerk due to holiday/illness/death Fraud by staff Actions undertaken by staff Health & Safety	L L L L	Chairman to have details of bank accounts and computer/email logins. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud. The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Relevant risk assessments to be undertaken and shared with all relevant personnel.	Existing procedure adequate. Membership of the SLCC/NPTS. Monitor working conditions, safety requirements and insurance regularly.
Councillor allowances/expenses	Councillors over-paid Income tax deduction	L	No allowances are allocated to Parish Councillors but expenses may be claimed and checked by the RFO.	Expenses approved in advance and the correct procedure followed.
Election costs	Risk of an election cost	L/M	An earmarked fund is set aside for this purpose. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled.	To set aside an election reserve.
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements	Existing procedure adequate
Annual Return	Submit within time limits	L	Employer's Annual Return is completed and submitted to the Inland Revenue within the prescribed time frame. Annual Governance and Audit 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
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Community Council Meetings, including a reference to the power used.	Powers are now operated under s.137.

Minutes/Agendas/Notices Statutory Documents	Accuracy and legality	L	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting. Minutes and agenda are displayed according to the legal requirements.	Existing procedure adequate. Guidance/training to Chair should be given (if required).
	Business conduct	L	Business conducted at Council meetings should be managed by the Chair.	Members to adhere to Code of Conduct and Standing Orders.
Members interests	Conflict of interest	L	The declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda.	Existing procedure adequate.
	Register of Members interests	M	Register of Members Interest forms should be reviewed regularly by Councillors.	Members take responsibility to update their Register.
Insurance	Adequacy	L	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for. Ensure compliance measures are in place.	Existing procedure adequate.
	Cost Compliance	L L		Review insurance provision annually.
	Fidelity Guarantee	M	Ensure Fidelity checks are in place.	Review of compliance by Internal Control and Internal Auditor.
Data protection	Policy Provision	L	The Council is registered with the Data Protection Agency	Ensure annual review of registration.
Freedom of Information Act	Policy Provision	L M	The Council has a model publication scheme for Local Councils in place, majority of info is available on the Council website. No requests for information have been received to date but the Clerk is aware that if a substantial request arrives, which may require many hours of additional work, the Council is able to request a fee if the work will take more than 15 hours but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee.	Monitor and report any impacts of requests made under the Freedom of Information Act.

Subject	Risk(s) Identified	H/M/L	Management/control of risk	Review/Assess/Revise
Assets	Loss or Damage Risk/damage to third party(ies)/property	L L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Existing procedure adequate.
Maintenance	Poor performance of assets or amenities	L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are	Existing procedure adequate. Ensure inspections carried out.

	Risk to third parties	L L	actioned/authorised in accordance with the correct procedures of the Council. All assets are insured and reviewed annually. All public amenity land is inspected regularly by Parish Councillors/employees.	
Notice boards	Risk/damage/injury to third parties Road side safety	L L	Parish Council has 4 notice boards sited around the village. All locations have approval by relevant parties, insurance cover, inspected regularly by the Clerk - any repairs/maintenance requirements brought to the attention of the Parish Council. Keys (if required) to be held by the Clerk and one nominated Councillor.	Existing procedure adequate.
Street furniture	Risk/damage/injury to third parties	L	The Parish Council is responsible for the village sign, seats, bus shelters, dog and litter bins around the village and covered by insurance (see policy schedule). No formalised programme of inspections is carried out, all reports of damage or faults are reported to Council and dealt with.	Existing procedure adequate.
Meeting location	Adequacy Health & Safety	L M	The Parish Council Meetings are held at Frettenham Village Hall or another appropriate venue. The premises and the facilities should adhere to Government guidance ensuring the safety of staff, Councillors and public to include normal Health and Safety and comfort aspects.	Existing location adequate. Consideration of technology upgrade to allow for hybrid meetings in the event of legislation change.
Council records – paper	Loss through: theft fire damage	L M L	The Parish Council records are stored in a locked fireproof filing cabinet at Frettenham Village Hall and at the Clerks home address. Records include historical minute books and copies correspondence, leases for land or property, records such as personnel, insurance, salaries etc. Older, more historical records in the Norfolk Archives.	Damage (apart from fire) and theft is unlikely and so provision adequate. Deeds/leases copied and to be deposited at Norfolk Archives.
Council records - electronic	Loss through: Theft, fire, damage corruption of computer	LM	The Parish Council's electronic records are stored on the laptop issued to the Clerk. Documents are backed-up on MS One drive thereby accessible from other PCs.	Electronic files accessible from other PCs. Passwords notified to nominated member of the Council.

PHYSICAL EQUIPMENT OR AREAS

Subject	Risk(s) Identified	H/M/L	Management/control of risk	Review/Assess/Revise
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Council records - electronic	Loss through: Theft, fire, damage corruption of computer	LM	The Parish Council's electronic records are stored on the laptop issued to the Clerk. Documents are backed-up on MS One drive thereby accessible from other PCs.	Electronic files accessible from other PCs. Passwords notified to nominated member of the Council.
Allotments	Risk/damage/health and safety	LM	The Parish Council has an Allotment Policy and Risk Assessment. Regular inspections are undertaken by the Clerk and/or Councillor. Annual meeting with the allotment holders to raise issues. Insurance cover is reviewed annually.	Existing procedure adequate. Consider asking the allotment holders to set up their own association.