

Risk Assessment – Financial

UFFORD PARISH COUNCIL

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1. Scope and Objectives

The purpose of this document is to identify potential financial risks facing Ufford Parish Council ('the Council') and how those risks can be managed to ensure the Council is able to deliver the services expected of it.

This document will be reviewed by the Council annually (preferably in March), enabling the Council to:

- a) appraise itself of identified risks
- b) agree appropriate actions to minimise the impact of the risks
- c) identify new risks and appropriate measures to manage them
- d) ensure the Council's insurance is adequate for the forthcoming year

2. Introduction

Risk management is NOT just about financial management, but about achieving the objectives of the organisation to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation, reputation and the ability to deliver the expected services.

The new approach to local Council audit seeks to address these issues by placing emphasis on local Council's strengthening their own corporate governance arrangements, improving their stewardship of public funds and improving assurances to taxpayers.

Members are ultimately responsible for risk management because risk can threaten the ability of the Council to fulfil its objectives. As a minimum, once a year, members should at least formally:

- a) Take steps to identify key risks facing the Council
- b) Evaluate the potential consequences to the Council in the event of an identified risk occurring
- c) Agree upon appropriate measures to avoid, reduce or control the risk or its consequences

All of the above objectives should be served by this document. If they prove not to be, then it is up to the Council to determine how they should be met and to put in place appropriate remedial measures.

This document should be read in conjunction with the current Insurance Policy in force for the Council.

3. Risk Analysis

The following table attempts to identify all financial risks and to assign a probability ('Prob') of that risk occurring, and should it occur, its impact ('Imp') on the Council. Both the 'Probability' and 'Impact' of a risk are scored on a 1 – 5 scale; 1 being the lowest score (i.e. very improbable or very low risk) and 5 the highest (i.e. highly probable and very high impact). Both these scores are multiplied to give an Overall Risk Rating (ORR). Any risks over ORR 20 will be reviewed on a monthly basis.

The 'Managed by' column details how the risk is managed, either by protecting the Council from its impact (typically by way of insurance) or by reducing the probability of that risk occurring. All Councillors should be aware of the importance of keeping the register up to date and declaring any interests at meetings as and when appropriate. The list below is not exhaustive and items can be added, amended or removed as and when appropriate.

Number	Details	Prob	Imp	Overall Risk Rating	Managed by...	Next Review Date	Action Required
1	Council under insured	1	5	5	<ul style="list-style-type: none"> UPC's insurance policy to be reviewed annually to ensure adequate cover as part of the annual risk assessment review process 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Regular review of adequacy of our Insurance Cover
2	Loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)	1	3	3	<ul style="list-style-type: none"> Regular monitoring of performance/deliverables against Service Level Agreement (SLA) or other appropriate criteria, where in place Currently the third party suppliers are: <ul style="list-style-type: none"> East Suffolk NORSE – Grass cutting Mr Kevin Coe - Maintenance Mr David Bracey – Play Park and BMX Track Inspections SALC – Payroll Service <p>The above third parties are monitored and a copy of their third party liability insurance is requested annually.</p>	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Clerk to request evidence of all PL insurance - expiry dates are noted and thereafter copies of renewal receipts are obtained on an annual basis.

3	Theft of petty cash	1	1	1	<ul style="list-style-type: none"> The Council currently does not handle petty cash, except in cases where parishioners make donations for gifts, etc. Insurance - £2,500 maximum for theft from Clerk's home 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Insurance cover reviewed annually
4	Loss of money through theft, dishonesty or fraud	1	4	4	<ul style="list-style-type: none"> Insurance – Fidelity guarantee to maximum of £250,000, must be reported within 36 months Councillors are responsible for agreeing the Council's accounts Clerk prepares online banking payments and 2 Councillors authorise Bank Statements are sent to all Councillors each month with one Councillor asked to verify account totals each month. 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Strict adherence to Financial Regulations
5	Setting the annual precept at an inadequate level	1	4	4	<ul style="list-style-type: none"> Annual budget Councillors take joint responsibility for approving the budget 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Strict adherence to Financial Regulations
6	Financial records not meeting current statutory requirements	1	3	3	<ul style="list-style-type: none"> Appropriate training for Clerk/RFO and Councillors Continued membership of SALC who provide information and guidance Purchase of appropriate documentation and supporting material Independent Specialist Internal Auditor 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Strict adherence to Financial Regulations

7	Not meeting the Customs & Excise regulations (especially VAT)	1	5	5	<ul style="list-style-type: none"> • Appropriate training for Clerk/RFO • Continued membership of SALC who provide information and guidance • Checks by Internal Auditor 	<ul style="list-style-type: none"> • March 2025 	<ul style="list-style-type: none"> • Strict adherence to HMRC rules and regulations
8	Not fulfilling the requirements of the Annual Return and the audit procedures, including right of inspection	1	2	2	<ul style="list-style-type: none"> • At a meeting of the Council, Councillors to be responsible for checking and approving the Annual Return prior to submission to the external auditor, with particular emphasis on Section 2 – Statement of Assurance • The use of competent Internal Auditor to identify any inappropriate practices • Adequate training for Clerk/RFO 	<ul style="list-style-type: none"> • March 2025 	<ul style="list-style-type: none"> • Strict adherence to Financial Regulations
9	Grant monies not applied for	1	4	4	<ul style="list-style-type: none"> • Clerk to monitor all grant facilities and work closely with ESC/SCC/SALC to obtain current details of available funding possibilities 	<ul style="list-style-type: none"> • March 2025 	<ul style="list-style-type: none"> • Strict adherence to Financial Regulations
10	Proper utilisation of CIL funds	1	3	3	<ul style="list-style-type: none"> • Clerk to inform council if and when funds are received (March and October) • CIL report to be produced annually and both published on the website and sent to ESC 	<ul style="list-style-type: none"> • March 2025 	<ul style="list-style-type: none"> • Strict adherence to ESC Regulations • Clerk to check CIL funds are in Bank account
11	Misappropriation of Councillors' expenses	1	1	1	<ul style="list-style-type: none"> • Expenses policy has been adopted 	<ul style="list-style-type: none"> • March 2025 	<ul style="list-style-type: none"> • Strict adherence to Financial Regulations
12	Poor functioning Internal Audit	1	5	5	<ul style="list-style-type: none"> • Annual review of the effectiveness of the internal audit to take place between RFO/Clerk and Councillors, at a Parish Council meeting 	<ul style="list-style-type: none"> • March 2025 	<ul style="list-style-type: none"> • Strict adherence to Financial Regulations

13	Non-compliance with Data Protection Regulations	1	5	5	<ul style="list-style-type: none"> Suitable training for Clerk and Councillors Appropriate professional support (SALC/ICO/etc.) 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Strict adherence to Financial Regulations
14	Risk of the Community Hall Charity folding and the responsibility for the hall passing to UPC	1	3	3	<ul style="list-style-type: none"> Parish Council representative to be part of the Community Hall Charity Committee 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> None
15	Inappropriate levels of reserves held by the Council or Reserves not clearly earmarked	2	5	10	<ul style="list-style-type: none"> Levels of Reserves to be reviewed each March Earmarked reserves to be shown on the Budget Working Document 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> Reserves to be set at meeting in March 2023
16	Tools (both hand and power), belonging to Friends of Parklands Wood, stolen from Shed	3	3	9	<ul style="list-style-type: none"> Shed is securely locked and very few people have access Power tools stored in garage of a member of the FPW 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> List of all Hand/Power Tools stored provided to Clerk and updated annually. Insurance cover reviewed and amended as required

17	Tools belonging to Footpaths Working Group stolen from storage location	2	3	6	<ul style="list-style-type: none"> Tools locked in garage of one of the members of the group (this being safer than the shed at the Recreation Ground) Tools only removed when needed and lock away after use 	<ul style="list-style-type: none"> March 2025 	<ul style="list-style-type: none"> List of all Hand/Power Tools stored provided to Clerk and updated annually. Insurance cover reviewed and amended as required
18	Ex Councillors who were previously payment authorisers still have access to bank accounts	1	5	5	<ul style="list-style-type: none"> Clerk to amend bank mandate as soon as authorising Councillor steps down Clerk to collect log-in card from ex-Councillor and destroy 	<ul style="list-style-type: none"> March 2024 	<ul style="list-style-type: none"> Clerk to liaise with retiring Councillors prior to them stepping down
19	CCLA Funds not providing expected level of return	2	5	10	<ul style="list-style-type: none"> Half-Yearly Review of performance of CCLA and their investment Funds (Investment Account for Reserves) 	<ul style="list-style-type: none"> March 2024 	<ul style="list-style-type: none"> Clerk to set up half-yearly review reminder

Adopted by Ufford Parish Council at a meeting on: *19th March 2024*

Signed:

J Hallett

Mrs Judi Hallett
Clerk

D Findley

Cllr. David Findley
Chair