

RISK ASSESSMENT AND MANAGEMENT (FINANCIAL) FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2022

INCOME

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff Action	Internal Audit Checks (Every)
Precept	Adequacy of precept	L	Setting realistic budget. Maintaining adequate reserves. Bi-monthly report of budget to actual income	At scheduled meetings	12 months
Financial control	Surplus/loss of funds Poor records	L	Regular bank reconciliations. Bi-monthly report of budget to actual income. Clerk to ensure adequacy of record keeping. Financial regulations.	Any income checked on bank statements by internal audit	12 months by Internal Auditor

EXPENDITURE

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff Action	Internal Audit Checks (Every)
Financial control	Surplus/loss of funds Poor records	L	Finance report at each meeting. Regular bank reconciliations. Bi-monthly report of budget to actual expenditure. Periodic review of adequacy of record keeping. Financial regulations.	Payments checked by non-cheque signatory	2 per annum
Direct costs and overhead expenses	Invoice incorrectly calculated	L	Check arithmetic	Invoice checked prior to payment	As required
	Amount payable is excessive/not in line with the quotation	M	Clarification sought as to variance by RFO. Payments require two signatures and approval by Council.	RFO reports variance. Councillors verify.	As required

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Clerk's expenses & Clerk's salary	Expenses exceed budgeted amount.	L	RFO reports expenses at scheduled meetings for approval by Council and payment with salary.	Councillors verify	2 months
	Salary agreed by Councillors in annual budget		Salary paid bi-monthly Payment of additional hours worked subject to prior approval by Council	Chair verifies	2 Months
Services	Authorisation to pay	M	Minute power	Members verify	12 months
	Agreement of council to pay	L	Minute	Members verify	12 months
	Conditions agreed	L	Use reasonable condition	RFO check	12 months
	Payment made by cheque	M	Financial regulations specify methods of payment	Members verify	12 months
Election Costs	Invoice at agreed rate	M	RFO check and consider budget	RFO reports. Councillors verify.	As required.
Reserves - general	Adequacy	L	Consider at budget setting and Final precept demand	RFO reports. Councillors verify.	12 months November
Reserves - allocated	Allocated reserves over/under spend	M	Regular financial reconciliation. Finance report at each meeting.	RFO reports. Councillors verify.	As required.
Assets	Loss, damage etc	M	Annual inspection Insurance cover in place, asset register kept up to date	RFO/Councillors to review and report	12 months (July)
Liability	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	RFO/Councillors to review and report	12 months (July)
Loss	Consequential loss due to critical damage or third-party action performance	M	Insurance cover in place Review adequacy prior to renewal	RFO/Councillors to review and report	12 months (July)

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Maintenance	Poor performance of assets or amenities loss of income or performance	L	Annual maintenance inspection	RFO/Councillors to review and report	12 months (September)
Legal Powers	Illegal activity or payment	L	All activity and payments made within the powers of the Parish Council to be resolved/agreed by Council and clearly minuted. Ensure clear terms of reference exist. Standing orders and Financial Regulations in place. Clerk to obtain appropriate advice prior to any decision.	Standing orders and financial regulations reviewed regularly	12 months
Financial records	Inadequate records Failure to publish statutory notice of audit.	L	Regular financial reconciliation. Finance report at each meeting. RFO to diarise and post notice of annual internal/external audit	RFO reports. Councillors verify.	Every scheduled meeting. Post notice of annual internal/external audit annually within prescribed period
Minutes	Accurate and legal	L	Clerk to ensure minutes comply with legal requirements. Draft circulated prior to meeting. Amended if necessary prior to approval at subsequent meeting.	Ongoing	After each meeting
Councillors' interests	Conflict of interest	M	Councillors declare interests for publication following election. Councillors required to declare interests in any agenda items and abide by the requirements of the Suffolk Code of Conduct	Following election. Every meeting.	As required. Every meeting

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			(as adopted)		
Annual Governance and Accountability Return (AGAR)	Not submitted within time limits	L/M	Documentation is completed and signed by the Council and the Internal Auditor. It is then checked and sent on to the External Auditor (if required) within time limit.	Clerk prepares a timetable for submission and publication of relevant notices. Clerk ensures relevant documentation is available for public inspection.	Existing procedures adequate. Monitor Agar requirements annually to check compliance.
Freedom of Information, Data Protection and General Data Protection Regulations	Policy provision	L/M	The Council adopted policies in place	Monitor and report any impacts made under the Freedom of Information and data protection to Council.	Regular policy review
VAT	VAT Re-claiming	L	The Council has financial regulations which set out the requirements	VAT recovered annually	Existing procedures adequate
Best value Accountability	Work awarded incorrectly / Tender assessment inadequate	L/M	As per adopted Financial Regulations.	If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation /tender, research the problem and report to Council.	Existing procedure adequate. Review Financial Regulations regularly