

BROUGHTON AND DALBY PARISH COUNCIL

FINANCIAL RISK ASSESSMENT

PURPOSE OF THE DOCUMENT

This document has been produced 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:

1. Identify the areas to be reviewed.
2. Identify what the risk may be.
3. Evaluate the management and control of the risk and record all findings.
4. Review regularly. Minute all risk assessment discussions and Clerk to submit Annual Report to Parish Council.

FINANCIAL AND MANAGEMENT

Subject	Risk(s) identified		Management/Control of Risk	Review/ Assess/ Revise
Precept	Adequacy of precept Requirements not submitted to M.B.C. Amount not received.	L L L	Sound budgeting to underlie the annual precept. The precept is an Agenda item at the Nov/Dec Council Meeting. At the precept meeting, the Council receives a budget update report, including actual position and projected position to the end of the year. The Council then maps out required monies for the following year. The precept is then set on the basis of the budget. This figure is submitted by the Clerk in writing to Melton Borough Council. The Clerk informs Parish Council when the monies received.	Existing procedure adequate.
Financial Records	Inadequate records Financial irregularities.	L L	The Council has Financial Regulations which set out the requirements. Internal and External Audit.	Existing procedure adequate. Review the Financial Regulations when necessary.
Bank and Banking	Inadequate checks Bank mistakes	L L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. Cheques require 2 signatories and accounts are presented to Council Meetings. Monthly bank reconciliation carried out. On line banking – the clerk has authorisation for payments at each meeting The Bank does make occasional errors which the Clerk would discover when the	Existing procedures adequate. Review the Financial Regulations when necessary and bank signatory list when necessary,

B&ODPC Financial Risk Assessment

	Loss Charges		Clerk reconciles the bank accounts. These would be dealt with immediately by informing the Bank and awaiting their correction.	especially after an Election. Monitor the bank statements monthly.
Reporting & Auditing	Information Communication	L	A monitoring statement is produced regularly before each Council Meeting. This statement includes monthly bank reconciliation and a breakdown of receipts and payments.	Existing communication procedures adequate.
Direct costs	Goods not supplied but billed Incorrect invoicing Cheque incorrect	L L L	The Council has Financial Regulations which set out the requirements. At each Council Meeting the Council approves the list of requests for payment. 2 signatories are required for cheques and the counterfoils initialled.	Existing procedures adequate. Review the Financial Regulations when necessary.
Grants and support Payable	Power to pay Authorisation of Council to pay	L L	All such expenditure goes through the required Council process of approval and is minuted and listed.	Existing procedures adequate. Parish Councillors request S137 rules if required.
Grants receivable	Receipt of Grant	L	The Parish Council does not presently receive any regular grants. One off grants would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required.
Best value accountability	Work awarded incorrectly. Overspend on services	L M	Normal Parish Council practice would be to seek 3 quotations for any substantial work required to be undertaken or for goods. If a problem is encountered the Clerk would investigate the situation, research the problem and report to Council.	Existing procedure adequate. Include when reviewing Financial Regulations.
Clerk	Fraud Actions Undertaken	L L	The requirements of the Fidelity Guarantee insurance to be adhered to. Clerk should be provided with relevant training, reference books, access to assistance and legal advice.	Existing procedure adequate. Purchase revised books. Membership of LRALC
Election costs	Risk of an election cost	L/M	Risk is higher in election year. When an election is due the Clerk will obtain an estimate of costs from MBC. There are no measures which can be adopted to minimise the risk of having a contested election. Contingency fund should be established to meet the costs.	Existing procedures adequate.

VAT	Reclaiming	L	The Council has Financial Regulations which set out the requirements. VAT to be claimed annually. Clerk to monitor VAT on ongoing basis.	Existing procedure adequate.
Annual Return	Submit within time limits	L	Annual Return is completed and signed by the Council, submitted to the Internal Auditor for completion and signing then checked and sent to the External Auditor within time limit.	Existing procedure adequate.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement.	Existing procedures adequate. Review provision and compliance annually.
Freedom of Information Act	Policy Provision	M	The Council has adopted the Model Publication Scheme for Local Councils. There have been no requests for information to date but the Council is aware that a fee can be charged for requests of information.	Monitor and report any impacts of requests made under the Freedom of Information Act.

PHYSICAL EQUIPMENT OR AREAS

Subject	Risk(s) Identified		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 and maintenance provisions.	Existing procedure adequate.
Maintenance	Poor performance of assets. Risk to third parties	L L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council. All assets are insured and reviewed annually. All public amenity land is inspected regularly.	Existing procedure adequate. Ensure inspections carried out.
Council records – paper	Loss through Theft Fire Damage	L M L	The Parish Council records are stored at the home of the Clerk.	Existing procedure adequate.
Council records - electronic	Loss through Theft, fire, damage, corruption of computer.	L M	The Parish Council's electronic records are stored on the Parish Clerk's home computer. Records regularly saved on to an external hard drive which is kept in fire proof box.	Existing procedures adequate.

LIABILITY

Subject	Risk(s) identified		Management/Control of Risk	Review/ Assess/ Revise
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Parish Council Meeting.	Existing procedure adequate.
Minutes Agendas/ Notices Statutory documents	Accuracy and legality Non-compliance with Statutory requirements Business Conduct	L L L	Minutes and Agendas 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 Agendas are displayed according to the legal requirements Business conducted at Council Meetings should be managed by the Chairman	Existing procedure adequate. Undertake adequate training. Members to adhere to Code of Conduct.
Members Interests	Conflict of Interest Register of Members Interests	M M	Councillors have a duty to declare any interest at the start of the Meeting. Register of Members Interest Forms to be reviewed at least on annual basis	Existing procedures adequate. Members take responsibility to update their Register.

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Date of review: 3 May 2024

Reference in PC Minutes: 24/098