

Financial Risk Assessment Rollesby Parish Council

March 2024

RFO / Parish Clerk

Sarah Hunt

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organization's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

This document has been produced to enable the Parish Council to assess the financial risks that it faces and satisfy itself that it has taken adequate steps to minimize them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focused approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses and revises procedures if required.

FINANCIAL MANAGEMENT				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Review/Assess/Revise
Business continuity	Council not being able to continue its business due to an unexpected or tragic circumstance.	MEDIUM	<p>All files and recent records are kept in the Clerk's office. Electronic files are held on onedrive.</p> <p>In the event of the clerk being unavailable due to unexpected or tragic circumstance then Norfolk Parish Training and Support (NPTS) would be contacted to provide Locum cover.</p> <p>Unity bank are able to add an administrator to the account within 10 days.</p>	
Council Paper records	Loss through theft, fire, damage	LOW	The majority of files and all recent paper records are kept in the Clerk's office. Electronic files are held on Onedrive. Historical minutes are deposited at the archive centre, the last five years only are held at the office. These are uploaded to the website.	The office is a separate building from the house.

Precept	Adequacy of precept to enable the Council to carry out its Statutory duties	LOW	<p>The Council reviews budget against expenditure at least quarterly.</p> <p>Full Council reviews a budget and sets the precept for the forthcoming year.</p> <p>Councillors are aware of the need to increase earmarked and general reserves.</p>	<p>Increasing reserves to be raised at each budget setting meeting – a decision to increase general reserves by £7,000 was taken in the 2024/25 budget.</p>
Insurance		MEDIUM	<p>Insurance cover reviewed annually. The Council and Charity insurance is currently joint.</p> <p>Asset register is reviewed annually.</p>	<p>Councillors aware that many insurance companies will not issue joint cover.</p>
Banking	<p>Inadequate checks</p> <p>FSA savings protection rules</p>	<p>LOW</p> <p>MEDIUM</p>	<p>The Council adheres to 'Financial Regulations', which set out the requirements for banking, cheque, processing and reconciliation of accounts.</p> <p>A bank reconciliation is carried out monthly/ bi-monthly. Online banking used.</p> <p>No more than £85,000 should be held in a single Bank</p>	<p>Existing procedures adequate</p> <p>Financial Regulations are reviewed annually and review formally recorded.</p> <p>Use of online banking improves efficiency of checks.</p> <p>Currently not relevant to Rollesby Parish Council.</p>

Cash	Loss through Theft or dishonesty	LOW	The Council has no petty cash or float.	Current practice is that Clerk purchases items and claims reimbursement. Council to consider a credit card/prepaid bank card.
Financial controls and records	Inadequate checks	LOW	<p>Reconciliation prepared by RFO and checked in the meeting and signed. Two signatories are required on all payments.</p> <p>Electronic transactions are uploaded by the Clerk and then authorized by two authorized councillors.</p> <p>Internal and external audits are carried out. Internal audit is reported to Council.</p> <p>Any financial obligation must be resolved and clearly minuted before any commitment.</p> <p>All payments are resolved and clearly minuted.</p> <p>External audit report is made available to the council and posted on the Council's website.</p>	Current status reviewed and deemed satisfactory.
VAT	Re-claiming / charging	LOW	<p>The Council has financial regulations, which set out the requirements for reclaiming VAT.</p> <p>Clerk keeps continuous record of VAT payments. VAT reclaimed annually.</p>	Current status reviewed and deemed satisfactory.

Employee Salary / Pension Obligations	Failing to meet statutory obligations on TAX/NI/Pensions	LOW	Statutory requirements must be met.	Clerk utilizes HMRC Basics software and has had necessary training.
Contract Management	Administration of contracts not formally documented.	LOW	Council goes out to tender on contracts.	Contracts reported and agreed at Parish Council meetings.