SOUTH HINKSEY PARISH COUNCIL
FINANCIAL ADMINISTRATION - RISK ASSESSMENT 2024

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Approved by Council: 5th December 2024

Ref No	Description	Risk	Level of Risk VH/H/M/L/VL	Management of Risk	Action Required	Internal Audit Frequency
	INCOME					
01	**PRECEPT**	Is not submitted	L	Clerk/RFO to prepare budget and present to Council. Council to discuss amend and approve, December Full PC minute of approval. Clerk/RFO to ensure request is submitted by deadline.	Clerk/RFO to initiate check and finalise	Annual Audit
		Not paid by D.C.	L	Clerk/RFO to monitor and resolve. Sufficient General Reserves to cover 3 months	Clerk/RFO to check	Annual Audit
02	**BUSINESS ACTIVITIES** Burial Ground	Business Activities	L	Ensure they are within the legal powers of Council -General Power of Competence	Clerk/RFO to check	Annual Audit
		Invoices	L	Prices set by Council and displayed on website. Invoices generated by Scribe	Clerk/RFO to check	Annual Audit
		Cash handling/banking	L	Invoices to request payment by BACs. Payment in advance. Any cash or cheques banked as soon as possible.	Bank any cash/cheques received and chase outstanding sums	Annual Audit
03	**GRANTS** All Applications	Ensure all claimed and in correct format.	L	Clerk/RFO to ensure received	Clerk/RFO to check	Annual Audit
04	**INTEREST INCOME BALANCES**	Receipt when due	L	Monthly statements requested for all account	Check bank statement	Annual Audit
		Surplus funds	M/L	Review policy annually	Check bank statement	Annual Audit
		Balances/Cash in Hand	L	No petty cash held No cash transactions except in exceptional circumstances. Adequate Fidelity Guarantee Insurance	Adequate Insurance	Clerk/Audit
05	**BORROWING**	Borrowing more than Council can afford to repay. Emergency affects repayment plan	M/L	Clerk and Councillors ensure borrowing level and time period are affordable. Contingency plan enough to cover a repayment.	Clerk/RFO to advise	Annual Audit

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	EXPENDITURE					
06	SALARIES	Wrong salary/hours/rate paid	M	Council given details of new pay scales when published by NALC. Council check payslip before creation of Standing Order. Any balance paid by BT checked by Council. New scale point set annually as per contract of employment	Standing Order payment agreed by Council at every meeting.	Annual Audit
		False employee	L	Salary Standing orders or BACs payments must be agreed by Council and then have on-line approval of two from three bank signatories. Bank statements are checked quarterly by a non-signatory Councillor	Two from three Councillors authorise the bank payments agreed by Council. Clerk/RFO presents bank statements and bank reconciliations to Council quarterly	Annual Audit
		Wrong deductions PAYE/NI/Pension	M	HMRC RTi basic PAYE tools software calculates PAYE/NI. Correct tax codes used with reference to communications from HMRC.	Councillors approve Standing Order and any payment by BACs. Clerk/RFO checks	Annual Audit

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07	**DIRECT COSTS AND OVERHEAD EXPENSES**	Goods not supplied	M	Check outstanding orders	Check on arrival	Annual Audit
		Invoice incorrect	L	Arithmetic check	Check on arrival	Annual Audit
		Accuracy of cheques drawn	M	Not normally used. Signatories initial check stub and check invoice being paid	Two councillors approve payment	Spot check at Annual Audit
		Accuracy of BACs payments	M	Clerk/RFO checks invoices when setting up payment. Invoices are checked by Council prior to agreement to pay.	Two from three councillors authorise the agreed payments	Spot check at Annual Audit
08	**GRANTS**	Power to pay	M	Council empowered to do – General Power of Competence	Two from three councillors authorise the agreed payments	Annual Audit
		Agreement of Council to pay	L	Grant approved by full Council within budget Authorising minute.	Two from three councillors authorise the agreed payments	Annual Audit
		Conditions not met	L	Policy, application process, realistic conditions	Clerk/RFO verify	Annual Audit
09	**VAT - RECOVERY**	VAT analysis	M	Adequate analysis software/correct rates on Scribe	Clerk/RFO verify	Spot check at Annual Audit
		Claimed within time limits	M	Claims submitted every 3 or 6 months and reported to Council.	Clerk/RFO verify	Annual Audit
10	**BANK ACCOUNTS/ RECONCILIATIONS**	Loss of money	M	Regular monthly reconciliation of all Bank accounts using Scribe	Clerk to do monthly bank reconciliations.	Quarterly check by Cllr. Spot check at annual audit
		Loss of control	M	Council review bank statements and bank recs every quarter	Agreed by Council	Annual Audit

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11	**RESERVE LEVELS** General	Adequacy	L	Consider at budget setting 3-year budget forecast	Clerk/RFO opinion	Annual Audit
	Earmarked	Adequacy	L	Consider at budget setting	Clerk/RFO opinion	Annual Audit
		Earmarked or Contingent Liability	L	Consider at budget or final accounts stage	Clerk/RFO & Councillors view	Annual Audit
12	**ASSETS**	Loss, Damage etc.	M	Annual inspection, update insurance and asset register. (See separate asset register)	Clerk/RFO & Councillors to check.	Periodically
		Risk of damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Clerk/RFO & Councillors ongoing review	Annual Audit
13	**STAFF**	Loss of key personnel More work than hours, health, stress, bullying, inadequate training, long term sickness, early departure.	H	Hours, health, stress, adequate training, long term sickness, early departure. Annual staff review as per contract of employment. Council to commit to the Civility and respect Project	Council Duty of Care. Scheme of Delegation. Chair has code to access Council Laptop includes Handover Document with essential information	Review arrangements Staff Review
		Breach of Contract	VH	Full Council ensures extra work requested fits contracted hours and is negotiated with the Clerk. Terms of Contract reviewed annually to ensure they are being met.	Appraisal input from all Councillors, who ensure they understand Duty of Care, Clerks Job Description and Council Contract	Councillors ongoing review
		Fraud by staff	L	Insurance cover Fidelity Guarantee Regular checks by Council and bank signatories.	Annual review of insurance cover Quarterly checks by Council	Annual Audit
		Injury to Staff	L	Risk Assessments. Employers Liability Insurance. Car Insurance	Annual review of insurance cover Hold copy of staff comprehensive car insurance including work	Annual Review
14	**LOSS**	Consequential loss due to critical damage or third-party performance	L	Ensure adequacy of contractors and Council insurance cover.	Clerk/RFO ongoing review	Annual Audit

		Cash loss through theft or dishonesty	L	Ensure adequacy of Councils insurance cover. Very minimal cash handling and payments accepted by BACs where possible.	Clerk/RFO ongoing review	Annual Audit
15	**MAINTENANCE**	Poor performance and condition of assets	M	Regular inspection and planned maintenance programme. (See separate asset register)	Clerk/RFO/safety Checks/Councillors/ Contractors' checks	Annual Audit (Relies on evidence)

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16	**LEGAL POWERS**	Illegal activity or payment	H	Advise Council as to their legal powers Financial Regulations updated annually in accordance with SLCC/OALC guidance documents.	Clerk/RFO ongoing advice	Annual Audit
17	**DATA PROTECTION**	Compliance with GDPR	H	Clerk/RFO GDPR trained and assessed annually by an outside organisation.	Councillors GDPR trained Council and Councillors use of council gov.uk emails for all/only council business	Review Annually
18	**FREEDOM OF INFORMATION**	Lack of Policy Provision	L	The Council publishes documents as required. Has page for policies on the website and papers for meetings published with the agenda.	Monitor any requests made under FOI	Ongoing
19	**INSURANCE COVER**	Inadequate insurance cover	L	Regular review of insurance cover. Renewal date 1st June	Clerk/RFO to review	Annual Audit
20	**BEST VALUE**	Value for Money - ensure that there is no overspend on service provision	H	Ensure correct tendering of services	Ongoing requirement	Annual Audit
21	**FINANCIAL RECORDS**	Inadequate records	L	RFO/Clerk checks + Internal Audit. Use of Scribe accounting software.	Ongoing checks	Annual Audit
		Loss of records	L	Scribe is set up on-line so data is constantly backed up.	Clerk/RFO to keep copy on Dropbox	
22	**MINUTES**	Accurate and legal	L	Review and approve at following meeting.	Councillors to agree	Annual Audit
		Loss of minutes	L	Paper and backed-up computer copies	Clerk to maintain	
23	**MEMBERS INTERESTS**	Conflict of interest	M	Councillors to declare and update declarations of interest. Reminder included in each summons.	Clerk/RFO and Councillors	Annual Audit
24	**INTERNAL AND EXTERNAL AUDIT REQUIREMENT**	Inadequate level of Audit Service	M	Ensure auditors are qualified to undertake the audit of the council's accounts and produce audit reports for consideration.	Councillors/Clerk RFO to review adequacy	Annual Review

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25	**LEGAL ACTION AGAINST THE COUNCIL**	Action is taken by a third party following an accident or action taken by the Council	H	Adequate public liability insurance cover and legal cover. Insurance renewal date 01.06.2025 All health and safety checks and required maintenance is completed on Council assets. Legal advice obtained if notified of potential legal action. An estimate of potential costs obtained at the earliest opportunity.	Clerk/RFO and councillors to ensure sufficient sums available in General or Earmarked Reserves to cover unexpected legal fees.	Annual Review
26	**ELECTION COSTS**	Lack of budgetary provision for unanticipated election	M	Availability of General or Earmarked Reserves.	Clerk/RFO and Councillors to ensure adequate provision at annual budget round.	Annual Review

Risk Matrix			Not Significant	Minor	Moderate	Major	Severe
Likelihood	Expected to occur regularly under normal circumstances	Almost Certain	Medium	High	Very High	Very High	Very High
	Expected to occur at some time	Likely	Medium	High	High	Very High	Very High
	May occur at some time	Possible	Low	Medium	High	High	Very High
	Not likely to occur in normal circumstances	Unlikely	Low	Low	Medium	Medium	High
	Could happen but probably never will	Rare	Low	Low	Low	Low	Medium