

## Exning Parish Council Financial Risk Assessment

**Notes:**

**“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”**

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible; making sure that all employees are made aware of the results of the risk assessment.

This document has been produced to enable Exning 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:

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and control of the risk and record all findings
- Review, assess and revise if required

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Councillors	Losing Councillor membership or	L	When a vacancy arises there is a legal process to follow. This either leads to a bye-election or into a co-option process. An election is out of the Parish Council’s control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting; then appointment.	Existing procedures adequate
	having more than 6 vacancies at any one time	L	If there are more than 6 vacancies at any one time on the Council it becomes inquorate. The legal process of the District Council appointing members takes place.	Procedures of another body are adequate
Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	There is a business continuity plan in place.	Review plan when necessary

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Precept	Adequacy of precept	L	To determine the precept amount required, the Parish Council regularly receives budget update information (quarterly) and the precept is an agenda item at full Council in Oct/Nov. At the precept meeting Council receives a budget update report, including actual position and projected position to end of year and indicative figures or costings obtained by the Clerk. With this information, the required monies are mapped out for standing costs and projects for the following year and these specific figures are applied to budget headings. Current reserves are taken into account. From these figures the precept amount to be requested from Forest Heath District Council is ascertained. This figure is submitted by the Clerk in writing to FHDC.	Existing procedure adequate
	Requirements not submitted to FHDC in time	L	Precept should be considered by Council before the deadline, which is ascertained from FHDC annually (Budget meeting is October; Precept meeting is November). FHDC deadline is end of January.	
	Amount not received by EPC	L	The Clerk informs Council when monies are received throughout the year (April / July / Sept).	
Financial records	Inadequate records	L	The Council has Financial Standing Orders which set out the requirements.	Existing procedure adequate Review of Financial Standing Orders annually (March)
	Financial irregularities	L		
Bank and banking	Inadequate checks	L	The Council has Financial Standing Orders which set out the requirements for banking, cheques, processing BACS payments and reconciliation of accounts (monthly reconciliation/checks).	Existing procedures adequate
	Bank mistakes	L	The bank does make occasional errors in processing cheques which are discovered when the Clerk reconciles the bank accounts once a month via the statement. The bank is informed immediately and correction is monitored by Clerk.	
	Charges	L	Clerk transfers enough money on a monthly basis into the Current Account to cover the monthly cheques, BACS payments and Direct Debits before they are processed to ensure the account is never overdrawn.	
	Loss of Signatories	L	Four signatories are currently held to ensure that two signatories are available at all times.	

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Cash / Loss	Loss through theft or dishonesty	L	The Council has Financial Standing Orders which set out the requirements. Cash/cheques received are banked within 3 banking days. There is no petty cash or float held by the Clerk. Banking procedure audited by Internal Auditor annually. Employee/er Fidelity Guarantee checked annually.	Existing procedure adequate
Litigation	Potential risk of legal action being taken against the Council	M	Public liability insurance covers general personal injury claims where the Council is found to be at fault. Spurious or frivolous claims are always a possibility. Council insurers covers all eventualities.	Insurance is adequate for requirements but there is still risk of other claims.
Reporting and auditing	Information communication  Compliance	L  M	A monitoring statement is produced regularly and presented to Council, discussed and approved at the meeting. This statement includes bank reconciliation, budget update and a breakdown of receipts and payments balanced against the bank.  Council should regularly audit internally to comply with the Fidelity Guarantee. Two Councillors check the payments and receipts monthly.	Existing procedure adequate
Direct costs Overhead expenses Debts	Goods not supplied but billed  Incorrect invoicing  Cheque / BACS transfer payable incorrect Loss of stock  Unpaid invoices	L  L  L  L  L	The Council has Financial Standing Orders which set out the requirements. Payment is usually made after goods supplied.  At each Council meeting the list of invoices awaiting approval is distributed to two Councillors and considered. Two Councillors check each invoice against the cheque/BACS schedule and associated paperwork and initial the invoices.  Council approves the list of requests for payment.  The Council has minimal stocks; these are checked and monitored by the Clerk (mainly stationery and ink/toner).  Payment in advance for services is always obtained. Council rarely invoices for services, other than burial services.	Existing procedures adequate
Grants and support – payable	Power to pay Authorisation to Council to pay	L	All such expenditure goes through the required Council process of approval, minutes and listing accordingly if a payment is made using the S137 power of expenditure.	Existing procedure adequate Parish Councillors request S137 rules if required
Grants – receivable	Receipts 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.

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Best Value Accountability	Work awarded incorrectly  Overspend on services	L  M	Wherever possible more than one quotation for any substantial work or goods would be sought. For major contract services, formal competitive tenders would be sought. Compliance with the Public Contracts Regulations 2015, as applicable.  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. This is covered in the Financial Standing Orders.	Existing procedure adequate Financial Standing Orders to be reviewed annually (March)
Salaries & associated costs	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI/Tax Unpaid Tax/NI contributions to the Inland Revenue	L L L L L M	The Parish Council authorises the appointment of all employees. Salary rates are assessed annually and applied. Salary analysis and slips are produced by the Clerk monthly together with a schedule of payments to the Inland Revenue (Tax / NI) – Inland Revenue Basic PAYE tools system is used. These are inspected monthly at the Council meetings and signed off. All Tax and NI payments are submitted in the Inland Revenue Annual Return.  The Village Keepers each submit a monthly timesheet containing hours and tasks, as does the Clerk, which are checked and submitted. Each has a contract of employment and a job description. The contracts include a section on overpayment and recoup.	Existing appointment system adequate. Existing payment system adequate.  Annual reviews are performed (October)
Employees	Loss of key personnel  Fraud by staff  Actions undertaken by staff  Health & Safety	L  L  L  M	Reference to the Continuity Plan should be made in case of loss of key personnel.  The requirements of the Fidelity Guarantee insurance to be adhered to with regard to fraud.  Clerk given relevant training, reference books, access to assistance and legal advice required to undertake the role.  Village Keepers provided with adequate direction and safety equipment needed to undertake role i.e.: protective clothing. Risk assessments carried out by Clerk.	Existing procedures adequate Membership of SALC / LCPAS Training and guidance book updates on-going Monitor working conditions, safety requirements, insurance regularly
Councillor allowances	Councillors overpaid Income tax deduction	N/A	Councillors are not paid an allowance	No procedure necessary

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Election Costs	Risk of an election cost	M	Risk is higher in an election year although a bye-election could be called for any casual vacancies. When a scheduled election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an un-contested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. The Council should save a sum each year to carry forward in case of an election at a four-year interval, but bye-elections are presently not accounted for.	Existing procedure inadequate. Reserve in place is adequate.
VAT	Re-claiming	L	The Council has Financial Standing Orders which set out the requirements. VAT is claimed regularly (quarterly).	Existing procedure adequate.
Employer's Annual Return	Paying and accounting for NI and Tax of employees' salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed timeframe by the Clerk.	Existing procedure adequate.
Audit – Internal Audit	Completion within time limits	L	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the Annual Return form to complete and sign for the External Auditor by the Clerk at required time. Current Internal Auditor is LCPAS – procedures of internal audit are fully compliant with current audit requirements. Internal Auditors reviewed annually.	Existing procedure adequate.
Annual Return	Completion/Submission 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 by the Clerk within the time limit.	Existing procedure adequate.
Legal powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used.	Existing procedure inadequate: Reference to powers used to be included in minutes from April 2018.
Minutes, Agendas, Notices, Statutory documents	Accuracy and legality	L	Minutes and agenda are produced in the necessary prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to the legal requirements (notice board and website).	Existing procedure adequate. Guidance given to Chair (by Clerk) if required. Members to adhere to Code of Conduct.
	Business conduct	L	Business conducted at Council meetings should be managed by the Chair.	

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Members Interests	Conflict of Interest Register of Members Interests	L M	Declaring of interests by members at a meeting remains on every agenda. Register of Members' Interests forms should be reviewed regularly by Councillors	Existing procedure adequate. Members take responsibility to update their own Register
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken (before time of the policy renewal) of all insurance arrangements in place. Employers and employee liability insurance is a necessity and must be paid for. Ensure compliance measures are in place. Ensure Fidelity checks are in place.	Existing procedure adequate. Review insurance provision annually.
Freedom of Information Act	Policy Provision	L M	The Council has a model publication scheme for Local Councils in place. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. Working towards compliance with new GDPR for May 2018.	Monitor and report any impacts of request made under the F of I Act. GDPR on-going.
<b>PHYSICAL EQUIPMENT OR AREAS</b>				
<b>Subject</b>	<b>Risk(s) Identified</b>	<b>H / M / L</b>	<b>Management/Control of Risk</b>	<b>Review/Assess/Revise</b>
Assets	Loss or Damage Risk/damage to third party(ies)/property	M L	An annual review is undertaken for insurance provision, storage, security and maintenance provisions.	Asset register to be updated annually
Maintenance	Poor performance of assets or amenities Loss of income or performance Risk to third parties	L 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 and assets are inspected regularly by parish employees	Existing procedure adequate. Ensure inspections carried out.
Noticeboards	Risk/damage/injury to third parties.	L	The Parish Council has two noticeboards sited in the village. All have insurance cover and are inspected regularly by the Village Keepers and any repair/maintenance requirements brought to the attention of the Clerk. Keys held by Clerk and Chairman.	Existing procedure adequate.
Street furniture	Risk/damage/injury to third parties.	L	The Parish Council is responsible for 4 boundary signs, 4 dog bins, 19 streetlights, 14 seats, 4 bus shelters, 1 fixed speed-indicator sign, 1 temporary speed-indicator sign, 2 picnic tables, 2 memorials and grit bins: all are covered by insurance. Regular inspections are carried out by the Village Keepers and any repair/maintenance requirements brought to the attention of the Clerk.	Existing procedure adequate.

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Meeting location	Adequacy  Health and Safety	L  M	The Parish Council Meetings are held at the Exning Community Church Hall.  The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects. ECCH has public liability in place.	Existing location adequate.
Council records – paper	Loss through: – Theft Fire Damage	L M L	The Parish Council records are stored at the home of the Clerk and in the Cemetery Chapel/Cemetery Offices. Records include historical correspondence, minute files, leases for land, records such as personnel, insurance, accounts, etc. Recent materials are in a metal filing cabinet at the home of the Clerk (not fire proof) and older historical records in boxes in the Cemetery Chapel at the Old Cemetery. Fireproof safe to be installed in 2018.	Damage (apart from fire) and theft is unlikely and so provision adequate.
Council records – electronic	Loss through: – Theft, fire, damage Corruption of computer	L M	The Parish Council's electronic records are stored on the Clerk's computer (Parish Council-owned). Back-ups of the files are taken daily. Auto backup to Cloud. Storage of council hard-drive will be in fireproof safe in 2018, once installed.	External drive back-up of electronic files kept by Clerk. Also regular back-up taken onto Clerk's own computer.

Reviewed at the Exning Parish Council Meeting on: 25<sup>th</sup> June 2025 (to be reviewed in May 2026)

## Exning Parish Council Financial Risk Assessment: Summary Schedule

Item	Frequency	Reviewed	Actions
<b><u>Parish Council Insurance</u></b>			
Public & Liability Insurance	Annual	June 2025	To be reviewed May 2026
Money & Fidelity Guarantee	Annual		
Personal Accident	Annual		
<b><u>Other Inspections/Maintenance</u></b>			
<b><u>Financial Matters</u></b>			
Banking Arrangements	Annual		CCLA / Treasury Management To be reviewed May 2026
VAT Returns	¼ -ly / EoYr	On-going	June, Sept, Dec, March
PAYE Returns	¼ -ly / EoYr	On-going	June, Sept, Dec, March
Salaries review	April	April 2025	Clerk and VK salary increase in accordance with NJC recommendations. To be reviewed April 2026
Budget agreement	Oct/Nov	Nov 2025	At PC Meetings
Budget monitoring	¼ -ly	On-going	June, Sept, Dec, March
Precept request	January	Nov 2025	Cut-off date is January
Payments approval procedure	Monthly	On-going	At PC Meetings
Bank reconciliations	Monthly	On-going	At PC Meetings
Use of Home as Office allowance	Annually	2025/26	Claimed
Internal Audit (Annual)	April / May	November 25	SALC (appointed March 26)
External Audit (Annual)	June/July	Jan 26	PKF Littlejohn LLP
<b><u>Recordkeeping</u></b>			
Minute numbering	Monthly	On-going	After PC Meetings
Assets documented	March	On-going	As required; inc in annual audit
Financial Standing Orders updated	Annually	June 2025	Also Fin RA
Standing Orders updated	Annually	June 2025	NALC Model SOs
Computer Records backup	Daily	On-going	Cloud backup facility
<b><u>Employees</u></b>			
Contracts of employment review	April	required	
Job Description review	April	required	
<b><u>Members' Responsibilities</u></b>			
Code of Conduct adopted	Annual	As necessary	LGA Code adopted June 2022
Register of Interests updated	Annual	May 2023	New Cllr(s) following election 2023 Co-opted Cllrs – as relevant.
Declarations of Interests Minute	Monthly	On-going	At PC Meetings