

Hugglescote & Donington Le Heath Parish Council

Risk Management / Assessment

Financial Risk Assessment April 2025

This document identifies risks, assesses likelihood and impact and how risk is managed. Likelihood and Impact have been assessed on a Low -Medium- High level of Risk.

Risks are classified into:

Physical assets – buildings, equipment, IT hardware etc

Financial.

Injury to the public, councillors, staff – in playgrounds and recreation grounds, community centre outside project work.

Complying with legal requirements – agendas, minutes, records etc

Councillor propriety - declarations of interests, gifts hospitality code of conduct.

Business Continuity.

Likelihood	Severity /Impact		
	1	2	3
1	LOW	LOW	MEDIUM
2	LOW	MEDIUM	HIGH
3	MEDIUM	HIGH	HIGH

Risk Topic	Identified Risk	High Medium Low	Management / Control of Risk	Review /Assess /Revise
Financial				
Standing Orders Financial Regulations	Not adhering to policy and procedures. Reduction in usable reserves, qualified audit opinion, Unacceptable increase in precept	Low	Financial controls set out in Standing Orders and Financial Regulations.	Reviewed annually by Clerk /RFO and adopted at Council
Bank Records Payments	Failure to properly manage records leading to errors	Low	All expenditure & income reported to Council monthly Cross referenced against bank statements and monthly reconciliation.	All banking and payments to be done in accordance with Financial Regulations. Bank Authorisations made in accordance with Financial Procedures Bank Mandates. All payments approved and Minuted by Council Two Members authorise expenditure and transfer of funds electronically. Current procedures adequate
Audits	Annual Audit not completed to set deadline Fail to take appropriate action on all matters raised in reports from internal and external audit	Low	Audit notices displayed Audits completed timely Audit reports considered by Council	Current procedure adequate
Internal Controls	Lack of Commitment to accounting requirements	Low	Periodic internal review Monthly / Quarterly reports reported to Council.	Current procedure adequate
Precept	Inadequate Precept / Insufficient Funds Precept not paid by Local Authority Lack of Knowledge of Budgetary process and Council Regulations	Low	Ensure Annual precept requirement results from an adequate budgetary process Reserves and budget to be considered in setting precept. Bank Accounts checked half yearly for precept payment form NWLDC	Financial Regulations issued to all Councillors. Procedures in place to are adequate and reviewed annually Precept request submitted timely

Risk Topic	Identified Risk	Likelihood	Management / Control of Risk	Review /Assess /Revise
Financial				
Budget	Lack of commitment to budgetary process.	Low	Progress against the budget is regularly monitored. Involve all Councillors in budgetary process not solely the Clerk. Budget setting at Council meetings.	Monthly reporting to Council.
Procurement	Failure to procure supplies and services correctly Legal challenge or poor value for money.	Low	Financial controls set out in Standing Orders and Financial Regulation.	Variations reported and agreed by Council
Financial Records	Inadequate Account Records The risk that financial records are not regularly scrutinised. Proper arrangements for the approval of expenditure do not exist Poor Control VAT not claimed	Low	All income & expenditure are presented / approved at Parish Council along with balances of Parish Council accounts. Expenditure is approved and minuted. Facilitate 'view only' access to bank account for all Councillors. Accounts Software package purchased. Records backed up.	Reviewed annually through Financial Regulations. Maintain fidelity guarantee insurance cover. Current Procedures are adequate.
Reserves	Earmarked reserves, which are set aside for specific purposes and for savings for future projects, are unrealistic.	Low	Earmarked reserve will be approved by the Council normally when the Annual Precept is determined. and reviewed during the year.	
Reserves	Revenue Reserves are too low or do not lie within the range of three to twelve months of gross expenditure.	Low	Reserves will be approved and monitored by the Council.	

Risk Topic	Identified Risk	Likelihood	Management / Control of Risk	Review /Assess /Revise
Financial				
Income	Reduction in income supporting service delivery and wider Council budget. Risk to service delivery. Pressure on other budgets. Lack of knowledge of possible sources of income / grants.	Low	Regular review of income received. Monthly Budget reports to Council meetings. Control of costs. Work within agreed budgets.	Work closely with local associations groups to access grant and funds available Assessment of value of projects / partnerships.
Payments	Overpayments made.	Low	Amounts paid to contractors are paid in accordance with Council regulations, and adequately monitored Financial and budget progress reports to quarterly Parish Council meetings. Internal audit checks.	
Electronic Payments (BACS)	Incorrect payments or amount made. Overpayments made.	Low	Council uses Unity Banks online authorisation facility which requires authorisation by two signatories and payments are checked. against the approval list from a Council meeting.	Clerk /RFO reviews and checks payments made.
Debit Card	Incorrect Use Poor Control	Low	Use of debit card is restricted to use All debit card purchases to be added to accounts and reviewed and approved on the council agenda under finance.	To be reviewed Annually No debit card used at present.
Investment Income	Loss of Funds	Low	The account is reviewed reconciled and reported to Council.	Review annually

Risk Topic	Identified Risk	Likelihood	Management / Control of Risk	Review /Assess /Revise
Financial				
Grants Awarded to Council	Not receiving grant funding when successfully applied for Loss of Income	Low	Nonpayment to be followed up Grants awarded reported to Council and referenced on Bank income reports.	Monitor
Grants Awarded by Council	Not following the grant request / claim procedure	Low	Grants made in accordance with policy Budgeted for and records kept.	Review annually
	Grant Payments	Low	Ensure Grants Policy is adhered to Ensure power to pay such grants.	
Freedom Of Information	Non-Compliance with the Model Publication scheme	Low	Information and documentation is made available on the Parish Council website	Review annually
Data Protection	Non-Compliance with Legislation Use of practices which do not comply with legislation and/or best practice procedures.	Low	Parish Council is registered with the ICO, the UK Data Protection Agency and is governed by their rules.	Review annually
Salaries / HMRC	Salaries and expenses paid correctly and in accordance with Council /HMRC regulations Correct Ni & Tax deducted	Low	Payroll undertaken via HMRC Payroll software. Payments monitored and reported, no additional payment made without Council approval.	A contract of employment and job description and person specification is agreed and pay scale is specified. No pension scheme. Declaration of Compliance with Pension Regulator currently in place.
Insurance	Inadequate Cover Public Liability Personal Accident Fidelity Guarantee	Low Low Low Low	The Council maintains insurance cover in all areas. All Council Members employees and volunteers are covered. Third party risk is covered	Reviewed Annually prior to the renew of the Insurance Policy Play Equipment inspected by ROSPA accredited Inspectors Risk assessments undertaken for major events

Risk	Identified Risk	Likelihood	Management / Control of Risk	Review /Assess /Revise
Financial				
Physical Assets	<p>Loss and Damage. Risk to Third Party.</p> <p>Lack of information on equipment and property.</p> <p>The risk that the Parish Council fails to maintain an Asset Register and as a result fails to properly safeguard its assets leading to excessive depreciation.</p> <p>The risk that accidental damage, vandalism or other occurrences including normal wear and tear to fixed assets occurs. Loss of amenities, financial loss, reputational damage or legal remedy being sought from the Parish Council.</p>	Medium	<p>Annual review is conducted for insurance and maintenance. Annual review carried out for public liability.</p> <p>The possibility of injury to the public, the possibility that assets are not fit for purpose and are not insured.</p> <p>Obtain adequate insurance cover. Inspect assets at weekly, quarterly annually. H&S inspections and reports logged onto H&S software. Water (legionella) and Pact testing carried out by competent persons Consider implementation of scheduled maintenance programme. Maintain asset register.</p>	<p>Maintain an accurate Asset Register and review regularly and when assets are acquired or disposed.</p> <p>Full review annually</p> <p>Ensure assets are adequately detailed with Insurance Company.</p> <p>Maintain adequate and sufficient insurance cover.</p> <p>Inspect assets regularly for condition and safety.</p> <p>Systems / Measures in place to mitigate the risk to reduce the likelihood rating to Low</p>
Financial Assets	<p>Rent not paid</p> <p>Adequacy of Reserves</p>	Low	<p>Ensure all rent & income is paid and recorded within the budget and minuted.</p>	<p>Considered by Council as part of financial reporting and annual budget setting.</p> <p>Reserves monitored during the year.</p>

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