

## Little Comberton Parish Council - Financial Risk Management Policy

### Risk Assessment

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.

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate/Excessive Precept	L	A sound budget is built, giving consideration to current cost base, future risks and opportunities, internal and external change factors. Opportunities for public engagement with the budget setting process are provided via physical noticeboards and online. The Clerk/RFO presents the draft budget to Council for their review. The budget is approved at a Parish Council meeting. The Precept amount is approved at a Parish Council meeting. The Notification of Parish Precept Requirement form is sent to WDC prior to the deadline and a confirmation of receipt is received.	The procedures in place are adequate.
	Precept not paid by Local Authority	L	The Clerk/RFO checks the bank account in April and in September, to ensure the half yearly precept payments have been made.	
Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations	L	The Clerk/RFO and Council follow the Financial Regulations as set out by NALC, which have been revised and adopted by the Parish Council. These are reviewed annually by the Clerk/RFO and Council and adopted at the Annual Parish Council Meeting.	New Nalc Model Financial Regulations 2024 adopted in July 2025.
Standing Orders	Not adhering to policy and procedures as set out in the Standing Orders	L	The Clerk/RFO and Council follow the Standing Orders as set out by Worcs. CALC, which have been revised and adopted by the Parish Council. These are reviewed annually by the Clerk/RFO and Council and adopted at the Annual Parish Council Meeting.	Current Standing Orders are adequate and adopted by Council.
Bank Records & Banking	Banking / Financial Errors	L	Monthly bank reconciliations conducted by the Clerk/RFO and noted by Council quarterly. A nominated Cllr checks & verifies documents in each quarter. All expenditure and income are advertised via monthly meeting agendas before being approved by Council at Parish Council meetings and minuted as such.	Current procedure adequate.
	Loss through theft and dishonesty	L	The Council is also covered by a Fidelity Guarantee of £250k within the annual insurance policy.	Current procedure and insurance adequate.

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Electronic Payments (BACS)	<p>Payments made without Council approval</p> <p>Incorrect electronic payment or amount made / No monitor on actual electronic entry</p>	<p>L</p> <p>M</p>	<p>All BACS payments are approved at a Parish Council Meeting. In rare cases of a payment needing to be made outside of the meeting, then approval is sought from the Chairman, with the decision and payment ratified at the next available council meeting in accordance with Financial Regulation 5.15.</p> <p>Council uses Lloyds Banks's online "Awaiting approval" facility, which automatically requires that payments made from the account must be authorised by a second approver before being released to the payee. The inputter and the approver both check the electronic entry to ensure that it matches the approval list from the meeting.</p>	Reviewed annually.
Financial/Account Records	Inadequate Records	L	<p>The Clerk/RFO maintains a cashbook listing all income and expenditure. The Clerk/RFO compiles all paperwork relating to monthly income and expenditure in hard copy. Electronic files are saved to the laptop and are automatically backed-up to the cloud. All files are reviewed by the Internal Auditor annually and a report produced, which is shared at the next council meeting and published.</p>	Reviewed annually.
Investment Account/Income	Loss of funds	L	<p>The accounts are reviewed monthly and reconciliations are authorised by the Parish Council Clerk/RFO &amp; nominated Cllr. Parish Councils are covered by the Financial Services Compensation Scheme (FSCS).</p>	Reviewed monthly and as required.
Grants Awarded to Council	Not receiving grant funding when successfully applied for	L	<p>The Clerk/RFO is to ensure that all grant payments are made to the Council according to the terms of the grant and at the correct time, following up with the individual local authority and/or organisation if they are not.</p>	All reviewed annually.

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Cash	Loss through theft and dishonesty	L	No petty cash is held by the Clerk/RFO or Council members. Any sundry items are to be purchased using the Council Debit Card as per procedure outlined in the Financial Regulations.	N/A Current procedure adequate. Reviewed annually.
Debit Card	Incorrect use	M	Use of the Debit Card is restricted to use by the Clerk/RFO, in line with Financial Regulation 9.1. Records of use are included in the cashbook and invoice folder, including all receipts. Any debit card purchases are to be added to the monthly agenda under Payments for review and approval by Council.	Reviewed annually.
Borrowing	Ability to repay any loans	L	The Clerk/RFO would ensure adequacy of precept to cover any loan repayments as part of the annual budgeting process. A report would be presented to Council by the Clerk/RFO before any loans were applied for.	Reviewed as and when finance is required for a particular project not covered by the Precept and at budget time.
Best Value	Charges made on the Parish Council are too high	L	The Clerk/RFO follows procedures for obtaining best value as set out in the Financial Regulations.	Current procedure is adequate.
Financial Reporting	Insufficient information	L	Each quarter, the Clerk/RFO circulates a Financial Report to Council, outlining income and expenditure against budget and highlighting main points in a commentary. All income and expenditure are also entered into the cashbook against the correct cost code. The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook. All accounts are available for public inspection.	Current procedure is adequate. Financial performance vs budget is reported on quarterly, reviewed by full council and published on the council's website via the minutes.

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Audits	Annual Audit is not completed within the set deadline	L	<p>The Clerk/RFO prepares the year end accounts statement and Annual Governance and Accountability Return (AGAR) for the Internal Auditor to review in April.</p> <p>Council then approves the AGAR at the annual meeting in May.</p> <p>The AGAR is then submitted to the External Auditor for review. The Clerk/RFO ensures the annual audit and conclusion of audit notices are displayed on the Council notice board and website for the public to view, for the prescribed period of time.</p>	Current procedure adequate. The Clerk holds a review meeting with the Internal Auditor before the year-end accounts prior to approval and submission.
	Annual Audit is not advertised	L		
Invoices	Goods not supplied but billed	L	<p>Invoices are only paid after the service or goods have been received to the Council' satisfaction, and only after full Council have approved them.</p> <p>All requests /orders for goods and services are confirmed in writing by the Clerk/RFO, to agree all costs involved.</p> <p>The Clerk/RFO checks all invoices received for accuracy and ensures all information is entered into the Cashbook.</p>	Current procedure is adequate. The Cashbook (budget) is reviewed annually by the Clerk/RFO and Internal Auditor.
	Incorrect Invoicing	L		
	Unpaid Invoices	L		
Freedom of Information Act	Non-compliance with the Model Publication Scheme	L	Information and documentation is made available on the My Parish WCC website, in order to comply with the Council's Model Publication Scheme.	Current procedure is adequate.
Salaries	Salary and expenses paid incorrectly	L	<p>A monthly standing order has been set up by the Clerk/RFO &amp; authorised by a nominated Cllr; amounts checked monthly.</p> <p>Clerk/RFO inputs monthly salary online to HMRC.</p> <p>All salary, pension, tax and NI payments are presented to Full Council for approval at the monthly Parish Council meetings.</p>	Current procedures are adequate.
	Incorrect NI & Tax deductions and Pension contributions	L		
Data Protection	Non-compliance with Data Protection Legislation	L	The Parish Council is registered with ICO the UK Data Protection Agency and is governed by their rules. The Parish Council has also adopted various policies and procedures concerning the 2018 General Data Protection Regulations and is the Data Controller.	Current procedures are adequate.

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Insurance	Inadequate Cover	L	An annual review is undertaken prior to the renewal of the insurance policy. Third party risk is included within the cover, with current employer and public liability set at £10m.	Due to the insurance being reviewed annually and cover updated with any capital items as and when required, the current procedure in place is adequate.  Quotations will be obtained annually, in September. In cases where a longer term agreement is in place, a review of adequacy will still take place annually, however quotations will not be obtained until the last year of the agreement, in September.
	Fidelity Guarantee	L	The amount is reviewed annually to ensure insurance cover is sufficient for the Parish Council's needs.	
	Public Liability	L	The Parish Council maintains insurance cover in all areas. All Council members, employees and/or volunteers of the Parish Council are covered under the personal public liability plan of the insurance policy.	
	Personal Accident	L	Risk Assessments to be undertaken for any major events and the insurance company notified.	
	Cost	L	Up to three quotations to be obtained when it is time to renew insurance cover, to be presented to Council for it to decide which to accept. The current policy is Year 3 of a Long Term Agreement.	
Physical Assets	Loss or damage Risk/damage to third party property	M L	The Parish Council records are stored at the home of the Clerk. Records include historical correspondences, minutes, insurance, bank records. Seven year's records kept locked at the Clerks home.	The Asset Register is updated when necessary, with a full review conducted annually.  Reviewed annually.
Financial Assets	Adequacy of Reserves	L	Considered by Council annually at budget setting in November/December and minuted.	

**Adopted: September 2025**

**Reviewed: September 2026**

