



Parish Council – Financial Risk Assessment

Council Name	Great Blakenham Parish Council
Date	July 2025
Review Date	July 2026
Purpose	To identify and manage financial risks that may impact the council’s operations, assets, and reputation

1. Financial Risk Assessment Table

Risk Area	Potential Risk	Consequences	Controls in Place	Further Action Required?	Residual Risk
Precept	Precept not set correctly or not received	Budget shortfall; inability to deliver services	- Budget and precept set annually and approved in council- Submitted to district council on time- Regular bank reconciliations. Adequate level of reserves.	No	Low
Banking	Fraud or errors in handling council funds	Financial loss; reputational damage	Financial Regulations setting out bank requirements . Monthly bank reconciliations. Use reputable bank with strong security controls	No	Low
Budgetary Control	Overspending or misallocation of funds	Inability to meet obligations or fund services	Quarterly financial reports- Budget tracking vs. actual spend- Clerk/RFO reports to council regularly	No	Low
Accounting Records	Incomplete or inaccurate records	Misstatement of finances; audit failure	Accounts maintained by qualified RFO- Records kept in accordance with statutory requirements and Financial Regulations.	No	Low

Risk Area	Potential Risk	Consequences	Controls in Place	Further Action Required?	Residual Risk
Payroll	Errors in pay, tax, or pension contributions	Legal penalties; staff dissatisfaction	PAYE operated via HMRC- Payroll reviewed and signed off- Pension compliance with NEST or LGPS	No	Low
VAT	Failure to reclaim VAT or incorrect submissions	Financial loss; HMRC penalties	- VAT recorded and reclaimed quarterly according to Financial Regulations.	No	Low
Assets	Loss or damage to council assets	Financial loss; disruption to services	-Asset register maintained and updated annually- Insurance in place for buildings, equipment, and liabilities	No	Low
Insurance	Inadequate cover or failure to renew	Financial exposure in event of claim	- Annual review of insurance schedule- Public liability, employer's liability, asset cover	No	Low
Grants and Donations	Misuse or poor accountability	Reputational damage; legal challenge	- Applications reviewed by full council- Grant policy in place- Monitoring and reporting on grant use	No	Low
Internal Controls	Lack of separation of duties or oversight	Fraud, error, lack of transparency	- Internal auditor appointed annually- Regular checks by finance committee- Councillors review bank statements	No	Low
External Audit	Qualification of accounts or late submission	Reputational damage; public concern	- Comply with audit deadlines (AGAR)- Ensure transparency regulations followed (e.g. public rights to inspect)	No	Low
Cybersecurity	Loss of financial data, online fraud	Data breach, financial loss	- Use secure cloud/email systems- Password protection and regular updates- Limit access to financial files	Consider cyber insurance	Medium
Reserves	Inadequate general or earmarked reserves	Cannot respond to unexpected costs	- Reserve policy in place- Regular review of balances- Minimum 3–6 months' operating cost held	No	Low

2. Key Policies and Documentation

- **Financial Regulations** (reviewed annually)
- **Standing Orders**
- **Internal and External Audit Reports**
- **Asset Register**
- **Budget and Precept Documents**
- **Clerk/RFO Job Description and Delegations**

3. Monitoring and Review

- **Quarterly review** of financial position by council or finance committee
- **Annual Risk Review** as part of governance obligations
- **Internal audit** to test and report on financial controls
- **Public transparency** via website publishing (as per Transparency Code for Smaller Authorities)