

LITTLE SMEATON PARISH COUNCIL – FINANCIAL & MANAGEMENT RISK ASSESSMENT 2025/6

- Risk assessment is a systematic general examination of the activities of the Parish Council to enable potential risks to be identified.
- The Parish Council, based on the recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks identified.
- This document has been produced to enable Little Smeaton Parish Council to assess the risks inherent to its finances and general management and satisfy itself that it has taken all reasonable steps to minimise them.

AREA	IDENTIFIED RISK	LIKELIHOOD	SEVERITY	RISK LEVEL	CONTROLS	ACTION REQUIRED
Finances	The council has insufficient funds to fulfil its obligations	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The Clerk submits a draft budget to the council annually in November • Budget is agreed by the full council and is used to determine the precept requirements for the next financial year • The council holds contingency funds considered adequate to meet unplanned expenditures. Currently £4,000 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Petty Cash is misused or goes missing	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The financial regulations place a limit on amount of cash held by Clerk at any time • Cash is checked by a designated Councillor before each Council meeting, and reported to the full Council • Records detailing all purchases made are kept and receipts are required 	<ul style="list-style-type: none"> • No action required • Existing procedure adequate
	Fraudulent use of debit card	Unlikely	Significant	Medium	<ul style="list-style-type: none"> • Only the clerk, chair and vice chair hold a debit card • All purchases must be approved by the council before a purchase is made • Bank statements are checked by a designated Councillor before each Council meeting, and reported to the full Council 	<ul style="list-style-type: none"> • Checks reviewed 2024. No actions possible to establish a limit on individual cards transactions or to set up notifications when the debit card is used.

	Fraudulent use of Internet banking	Unlikely	Significant	Medium	<ul style="list-style-type: none"> Only the clerk and one designated councillor can initiate financial transactions Every transaction must be approved by two independent councillors in order for it to be processed Bank statements are checked by a designated Councillor before each Council meeting, and reported to the full Council 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Inappropriate payment of salaries or costs	Unlikely	Moderate	Low	<ul style="list-style-type: none"> The Council authorises the appointment of all employees. Salary rates are based on the National Joint Council (NJC) for Local Government Services Pay Scales Approved payment schedule governance Bi-monthly reconciliation and review prior to council meetings 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Inadequate record keeping and/or transparency	Possible	Minor	Low	<ul style="list-style-type: none"> The clerk presents the financial records at every council meeting An independent councillor reports on the bank reconciliation and internal controls checks at every council meeting Financial records are signed by the Chair An independent auditor is appointed every year to audit council accounts (internal audit) The council completes and publishes the Annual Governance and Accountability Return (AGAR) for each financial year Annual accounts are published on the parish council website 	<ul style="list-style-type: none"> Following review in 2024 it was agreed that the current checks were robust. No Action required Existing procedures adequate
	Best value for money is not obtained	Unlikely	Minor	Low	<ul style="list-style-type: none"> The council has a detailed procedure in place for the awarding of contracts 	<ul style="list-style-type: none"> No Action required Existing procedures adequate

					<ul style="list-style-type: none"> • All financial transactions are discussed and approved at a full council meeting before the transaction is completed* • For transactions exceeding £500 in value the council attempts to obtain three quotes <p><i>* In an emergency or where delay may impact on safety; purchases may be agreed outside of a scheduled meeting. This will be noted by email/WhatsApp and ratified at the next council meeting.</i></p>	
	Inadequate provision to cover financial loss	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The council has a Fidelity Guarantee in place to the value of £250,000 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Major drop in interest rates affecting investment accounts. This may impact the council's ability to meet its financial obligations	Possible	Significant	High	<ul style="list-style-type: none"> • Investment accounts chosen are for fixed periods of time in line with our investment strategy. Regular monitoring of account interest rates should give some advance notice of forthcoming reductions to rates. • Bank of England policy is monitored for potential changes to interest rates and is taken into account when projecting investment returns. • Ensure council Reserves are maintained at an adequate level to support medium term financial obligations 	<ul style="list-style-type: none"> • No action required. Interest rates are set by the banks and LSPC has no control over the process. • Existing procedures are the only viable actions available.
Assets & Public Liability	Non-Recovery of VAT	Unlikely	Moderate	Low	<ul style="list-style-type: none"> • No payments are made without an accompanying invoice or receipt • Records are kept which detail the information required to reclaim VAT where appropriate • AGAR statement confirms VAT has been correctly accounted for. 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate

					<ul style="list-style-type: none"> • VAT is reclaimed from HMRC annually and is detailed on the Income & Expenditure sheet 	
	Inadequate insurance to cover against claims made against the council	Unlikely	Significant	Medium	<ul style="list-style-type: none"> • The council holds insurance designed for small councils which includes public liability cover • Insurance cover is reviewed annually before renewal 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Incorrect Tracking of council assets	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The council has an asset register which is reviewed and updated at least annually • Where possible, recognised guidelines are used to value assets. 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Street Furniture	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The council owns several seats, waste bins, dog waste bins and grit bins. These are included on the council's insurance cover • The council owns three street lights which are subject to routine inspection by-NYC 	<ul style="list-style-type: none"> • Consider introducing annual Inspections of street furniture assets • NYC in the process of updating all street lights owned by LSPC
	Playground and/or equipment falls into a state of disrepair	Unlikely	Moderate	Low	<ul style="list-style-type: none"> • The council owns a playground which contains several items of play equipment. Equipment is self-inspected every four months and annually by ROSPA • A programme of repairs or replacement is agreed by the council based on these inspections 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Land falls into a state of disrepair	Possible	Minor	Low-High	<ul style="list-style-type: none"> • The council has a maintenance programme in place. 	
General	Trees aren't maintained in a safe condition	Possible	Moderate	Medium	There are a number of trees on council owned land that require regular safety inspections	<ul style="list-style-type: none"> • All Trees owned inspected in 2024 and identified work undertaken • Identify correct Inspection period

						required to minimise risk
	Adequate Staffing levels	Possible	Minor	Low	<ul style="list-style-type: none"> The council has one employee, the clerk, (currently undertaken on a voluntary basis). In the event of the loss of the post holder councillors will cover the duties of the role until a replacement is found Business Continuity Plan outlines actions to take Recognised training is available for the post holder to ensure the councils responsibilities are performed correctly 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Insufficient policies to allow correct management of council business	Possible	Minor	Low	<ul style="list-style-type: none"> The council has a range of policies that lay out its duties and responsibilities. Policies are published on the council website and are subject to a review programme 	<ul style="list-style-type: none"> Annual review of policy provision to ensure continuous improvement
	Improper use of legal powers	Unlikely	Minor	Low	<ul style="list-style-type: none"> All activity and payments within the powers of the Council are resolved and a minute recorded at meetings 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Timescales for Agendas / Minutes / Notices / Statutory Documents not adhered to	Unlikely	Minor	Low	<ul style="list-style-type: none"> Agendas and minutes are produced in the prescribed method by the Parish Clerk and adhere to legal requirements Agendas are displayed and minutes are available in accordance with legal requirements Minutes are approved and signed at the following Council meeting 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Register of Member Interests not disclosed	Possible	Minor	Low	<ul style="list-style-type: none"> The Register of Members Interest is updated by Councillors when their circumstances change All Registers are published on the Parish Council website 	<ul style="list-style-type: none"> Councillors are responsible for notifying the council of any changes. Annual review to be agenda for each May PC meeting

	Conflict of Interest not declared	Unlikely	Minor	Low	<ul style="list-style-type: none"> Members declare pecuniary interests at the meeting when the item "Declarations" is reached and when an item is discussed, and it becomes apparent they have an interest 	<ul style="list-style-type: none"> No Action required. Existing procedures adequate.
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RISK ASSESSMENT MATRIX

Severity ▼

		Minor	Moderate	Significant
	Likely	Medium	High	High
	Possible	Low	Medium	High
	Unlikely	Low	Low	Medium

Likelihood

Chair.....

Clerk.....

July 2025