



## Little Bardfield Financial Risk Assessment 2026-27

This document has been produced to be used in conjunction with the Financial Regulations and Internal Controls to enable Little Bardfield Parish Council to assess the financial risks it faces and satisfy itself that it has taken adequate steps to minimise them. The likelihood and impact model used to assess the risk rating can be found at Appendix 1.

|   | Potential Risk Area                            | Impact | Likelihood | Rating | Steps to mitigate risk   | Owner & actions  |
|---|--|--------|------------|--------|--|--|
| 1 | Protection of Assets owned by Parish Council.  | Major  | Unlikely   | 8      | Insurance against Asset Register.                                      | Clerk to check adequate insurance against Asset Register annually, reporting back to Parish Council. |
| 2 | Maintenance of Assets owned by Parish Council. | Major  | Moderate   | 12     | Check and maintain equipment. Record condition as per agreed schedule. | Clerk to manage inspection schedule, reporting back to Parish Council.                               |

|   |               |       |          |   |   |           |
|---|---------------|-------|----------|---|---|-----------|
| 3 | Annual Return | Major | Unlikely | 8 | The PAYE year end procedures are carried out within the prescribed time frame by the RFO. The Annual Governance Annual Return is submitted to the Internal Auditor for completion and signing, signed off by the Council and sent on to the External Auditor within the time limit. | Clerk/RFO |
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| 4 | Risk of damage to Third Parties caused by Parish Council's assets.                                   | Major  | Moderate | 12 | Insure, check and maintain assets, recording as per agreed schedules.   | Clerk to ensure insurance cover is adequate, assets maintained, and inspections completed.   |
| 5 | Legal Liability to Third Parties.  | Major  | Moderate | 12 | Employer's Liability and Public Liability Insurance in place.   | Parish Council to review adequacy of insurance cover annually.   |
| 6 | Loss of money (including cash) through theft, dishonesty, accident or inadequate banking procedures. | Severe | Unlikely | 10 | Minimum of two signatories available for all bank transactions and authorisations. Payments of invoices approved at Parish Council meetings. Finances audited every year. | Financial Report provided by Clerk/RFO for all Parish Council meetings. Reconciliations completed against monthly bank statements.   |
| 7 | Non-receipt of eligible income i.e. Precept, VAT and interest.                                       | Major  | Unlikely | 8  | Annual agenda item for determining the precept request against budget. Annual VAT return claim. Management of bank accounts.  | Clerk/RFO to provide all relevant documents to internal auditor. Include precept as agenda item and completes return to UDC within specified timeframe. VAT return claims to be undertaken annually. |

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| 8  | Inappropriate annual precept request.  | Major    | Unlikely | 8 | Budget set annually based on actual expenditure to date and anticipated future requirement. Prudent level of contingency included in precept calculation. | Clerk/RFO to monitor expenditure and commitments and report to Council at all Council meetings. |
| 9  | Goods not supplied, invoices incorrect or unpaid.                                | Moderate | Moderate | 9 | Adherence to the Parish Council's Financial Regulations.  | Clerk/RFO to adhere to relevant policies. Council informed of any debt.                         |
| 10 | Financial loss or damage/injury resulting from services provided by contractors. | Minor    | Unlikely | 4 | Contracts awarded as per Financial Regulations and agreed processes.  | Clerk to ensure Contractors are adequately insured.   |
| 11 | Obtaining value for  | Minor    | Unlikely | 4 | Adherence to Parish Council's   | Parish Council and Clerk/RFO to   |

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|    | money.   |        |          |    | Financial Regulations.  | adhere to relevant policies. Council to approve all procurement.   |
| 12 | Salary paid incorrectly including payment of National Insurance, Income Tax and pensions.  | Severe | Unlikely | 10 | Basic PAYE tools used. Review of salaries completed annually by the Parish Council.                             | Clerk/RFO to be aware of up-to-date salary processes and payments. Parish Council to consider salary increases as per contractual terms. |
| 13 | Failure to meet all requirements under Employment Law, Inland Revenue, Audit and Customs and Excise regulations and Health & Safety at Work Act. | Severe | Unlikely | 10 | Clerk to monitor relevant legislation through Gov.UK, SLCC and NALC and attend training courses as appropriate. | Parish Council acts upon reports and recommendations from Gov.UK/SLCC/NALC as appropriate. Clerk to maintain the Accident Book.          |
| 14 | Failure to comply with Data Protection regulations.  | Severe | Unlikely | 10 | Clerk/RFO to be trained. Data Protection Policy adopted.  | Parish Council and Clerk to adhere to the policy and update training as required.  |
| 15 | Clerk/RFO – Holidays, Illness/death or resignation.  | Major  | Unlikely | 8  | Parish Council makes appropriate arrangements for short term absence.   | Clerk/RFO to document duties and procedures to undertake if absent.  |

|    |   |        |          |   |   |  |
|----|---|--------|----------|---|---|--|
| 16 | Not keeping proper financial records in accordance with statutory requirements. | Major  | Unlikely | 8 | Financial Regulations adopted. Report on financial position at all Parish Council meetings. Internal audit undertaken annually. | Clerk/RFO to keep proper records. Parish Council to monitor.                                     |
| 17 | Undertaking illegal activity or payment   | Severe | Rare     | 5 | Adherence to Parish Council's Financial Regulations.  | Parish Council and Clerk/RFO to adhere to relevant policies. Council to approve all procurement. |
| 18 | Insurance - Inadequate/ Ineffective. Claims badly handled. Non receipt of       | Major  | Unlikely | 8 | Policy updated as required and schedule analysed. Claims monitored and followed up.   | Clerk to manage insurance policies, claims and renewals.   |
|    | sums due.   |        |          |   | Market reviewed periodically.   |  |

## Appendix 1

### Likelihood and Impact Model

|        |            | Likelihood |          |          |        |                |    |
|--------|------------|------------|----------|----------|--------|----------------|----|
|        |            | Rare       | Unlikely | Moderate | Likely | Almost Certain |    |
|        |            | 1          | 2        | 3        | 4      | 5              |    |
| Impact | Severe     | 5          | 5        | 10       | 15     | 20             | 25 |
|        | Major      | 4          | 4        | 8        | 12     | 16             | 20 |
|        | Moderate   | 3          | 3        | 6        | 9      | 12             | 15 |
|        | Minor      | 2          | 2        | 4        | 6      | 8              | 10 |
|        | Negligible | 1          | 1        | 2        | 3      | 4              | 5  |