

# THURSTON PARISH COUNCIL

Parish Council Office  
 New Green Centre  
 Thurston  
 IP31 3TG  
 Tel: 01359 232854  
 e-mail: [info@thurstonparishcouncil.gov.uk](mailto:info@thurstonparishcouncil.gov.uk)  
 website: <http://thurston.suffolk.cloud/>



## RISK ASSESSMENT AND MANAGEMENT (FINANCIAL) FOR THE PERIOD 1<sup>st</sup> APRIL 2020 – 31<sup>st</sup> MARCH 2021

| TOPIC     | RISK IDENTIFIED          | High(H)<br>Medium(M)<br>Low(L) | MANAGEMENT OF RISK   | IMPACT | STAFF/MEMBER ACTION   | FREQUENCY                        |
|-----------|--------------------------|--------------------------------|--|--------|---|----------------------------------|
| Personnel | A. Key Personnel         | L                              | It is confirmed that the position of Proper Officer / Clerk/Responsible Financial Officer (RFO) is filled by one person.   | NIL    | RFO role to be confirmed on an annual basis   | May 2020<br>1/year               |
|           | B. Qualifications        | L                              | Currently the role of the above is held by a CiLCA Qualified Clerk who also works as a Trainer and Internal Auditor for Suffolk Association of Local Councils (an advisory body to Town and Parish Councils) | NIL    | Council to ensure role holders makes use of continual professional development Council to include within budget for 2021/2022 | 1/year                           |
|           | C. Support Personnel     | L                              | Council has provided a budget for a Deputy Clerk to assist with current administrative workload.   | LOW    | Deputy Clerk – employed effective January 2021.   |                                  |
| Staff     | A. Loss of Key Personnel | M                              | Hours, health, stress, long-term illness, etc – Council has implemented twice yearly working reviews. Council to conduct an annual performance review in line with current contract.                         | LOW    | Chairman to carry out reviews<br>Chairman   | 2/year<br>1/year – July Mar/Sept |
|           | B. Work overload         | M                              | <b>Council to monitor workload to ensure that all projects undertaken are achievable within current resources.</b>   | MEDIUM | <b>Clerk/Council</b>  | <b>Ongoing</b>                   |
|           |                          | L                              | Council to consider the provision of a support officer / deputy to assist with increased project cover and/or succession planning.   | LOW    | Deputy Clerk – employed effective January 2021.   |                                  |

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|          | C. Fraud by Staff                |   | Fidelity Guarantee Value – reviewed on an annual basis and to cover all monies held at the most significant point in the year  | LOW | Members / RFO   | 1/year   |
| Salaries | A. Wrong Salary Paid             | M | A check is carried out to contract and hours claimed / worked.   | L   | Chair to verify   | 12/year  |
|          | B. Wrong Hours Paid              | M | A system of payslips has been implemented to verify (PAYE system in place).  | L   | Chair to verify   | 12/year  |
|          | C. Wrong Rate Paid               | M | Council to verify salary scale and agreed pay-rate with reference to contract and salary scales provided by National Association of Local Councils.  | L   | Chair to verify   | 1/year   |
|          | D. PAYE administered wrongly     | M | PAYE administered on HM Revenue & Customs agreed pay-codes   | L   | Tax Codes verified by HM Revenue & Customs  | 12/year  |
|          | E. Pensions administered wrongly | M | Pension rates deducted and paid in accordance with the details provided by Suffolk County Council (SCC) who operate the Local Government Pension Scheme. Monthly returns submitted to SCC. Payment made by due date.   | L   | Rates verified by SCC on an annual basis  | 12/year  |
| Precept  | A. Not submitted                 | L | Full PC Minutes – RFO to follow up if confirmation email or receipt is not forthcoming from Mid Suffolk District Council. If no form is submitted, the previous year's precept requested will be rolled over.  | NIL | RFO to follow up and ascertain dates for payments.                                      | 1/year   |
|          | B. Not paid by District Council  | L |  | NIL |   |  |
|          | C. Adequacy of precept           | L | Budget and precept prepared and agreed at full Council meeting.<br>General Reserves held by Parish Council agreed to be to cover 3 months' worth of contracted expenditure.<br>Analysis of General and Earmarked Reserves reviewed by Policy and Resources Committee with recommendations submitted to full Council.<br>Budget prepared during November and December and approved by full Council in January. Budget process allows comparison's with previous, current and future years.<br>Quarterly review of budget to actual statements received by full Council including variances from budget. | NIL | Council<br>RFO/Council<br>RFO/Council<br>RFO/Council<br>RFO/Internal Controller/Council | 2/year<br>2/year<br>2/year<br>2/year<br>4/year |

|                |   |   |  |     |  |                             |
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| Income         | A. Income recorded  | L   | All income is recorded in the cashbook once received. Income received is reported at the next full Parish Council Meeting. Majority of income is in the form of direct transfer into the Council's accounts. When received, cheques (and cash if applicable) are promptly banked via the Post Office cheque/cash receipt system. | NIL | RFO to action.   | Whenever.                   |
|                | B. Reporting of income  | L   |  | NIL | Member verify.   | 12/year.                    |
|                | C. Banking  | L   |  | NIL | Member verify.   | 4/year.                     |
|                |   | L   |  | L   | Member verify.   | 4/year.                     |
| Direct Costs   | A. Goods Supplied   | L   | System in place to check delivery /service. Full audit trail followed.   | NIL | Approval check   | Variable                    |
|                | B. Invoice incorrectly calculated   | L   | Check arithmetic at receipt of invoice. Check against orders raised – if applicable.   | NIL | Approval check   | Variable                    |
|                | C. Payment Procedures<br>– Cheques<br>- BACS<br>- Direct Debit<br>- Standing Orders | L   | 2 signatories required with cheque stubs and invoice - both to be initialled. Internal Control and Internet Banking Policy in place  | NIL | Member verify  | Variable                    |
|                |   | L   | Review of payments made under Direct Debit & Standing Order at Annual Meeting and noted at each meeting.   | NIL | Member verify  | Annual<br>12/year<br>4/year |
|                | D. Orders   | L   | System in place to allow for orders to be placed in accordance with Council's Financial Regulations – letter headed orders reviewed at quarterly internal control review.  | NIL | Internal Controller verify<br>Internal Controller verify<br>Internal Controller verify | 4/year<br>4/year<br>4/year  |
| E. Credit Card | L   | Authorised for use by Clerk only. Stored securely. Maximum spend limit. Monthly reconciliation. |  |     | 12/year  |                             |
| Election Costs | Invoice at agreed rate  | L   | RFO to check once invoice received. Reserve fund set up to cover costs of a Parish Poll. Reserve fund to be reviewed after election term (4 years) or whenever depleted due to a Parish Poll.  | NIL | RFO verify   | Minimum – 1/year            |
| CIL Reporting  | A. CIL spend/income   | L   | Council to ensure understanding of the restrictions and time limits for receipt of income and expenditure.   | L   | Parish Infrastructure Investment Steering Group / Council                              | 2/year                      |
|                | B. Annual CIL Report  | L   | CIL report to be submitted for the period under review. Annual Audit report of income and expenditure to be completed.   | L   | RFO / Chair  | After 31 March              |
|                | C. Submission of Report   | L   | Annual Audit report to be submitted to District Council & publish on website.  | L   | RFO  | Prior to 30 June            |

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|                       | D. Review of timescales    | L | Council to ensure that CIL monies received is allocated within 5 years of receipt   | L   | RFO / Council                                | 2/year   |
|                       | E. Earmark Reserves        | L | Council to correctly identify unallocated CIL monies received in reserves   | L   | RFO / Council                                | 2/year   |
| Reserves – Earmarked  | A. Adequacy                | L | Level of reserves to be considered at Budget setting & at Policy & Resources Committee Meeting prior to year-end.   | NIL | RFO Opinion                                  | 2/year   |
|                       | B. Maintenance             | L | Known reserves ring-fenced and referenced.  | NIL | Member                                       | 2/year   |
|                       | C. Movement                | L | Movement between reserves – ring-fenced and general - into/from revenue budget to be by resolution of full Council.   | NIL | Member                                       | Whenever |
| Investment            | Loss of invested funds     | L | Council to only invest in financial institutions that can demonstrate security and liquidity.<br>Council will ensure that all investments are in accordance with its investment policy having regard to such guidance as the Secretary of State may issue.<br>Council approval is required prior to investment. | NIL | Council                                      | Whenever |
| Assets                | A. Loss, Damage etc        | L | Annual Inspection for all assets carried out – external body contracted in for play area assessments.   | NIL | RFO & Policy & Resources Committee.          | 1/year   |
|                       | B. Insurance               |   | Council to confirm all assets have up-to-date insurance when compared against the asset register.   | NIL | RFO & Policy & Resources Committee           | 2/year   |
|                       | C. Third party risk        | L | Review adequacy of Public Liability Insurance   | NIL | RFO & Policy & Resources Committee           | 2/year   |
| Maintenance Of Assets | Poor maintenance of assets | L | Monthly maintenance review on New Green Play Area   | NIL | Members of Recreational Facilities Committee | 12/year  |
|                       |                            |   | Monthly maintenance review on Heath Road Play Area  |     |  |          |
|                       |                            |   | Monthly maintenance review on Church Road Play Area   |     |  |          |
|                       |                            |   | Independent Annual Inspection   |     | Members                                      | 1/year   |
|                       |                            |   | When reported, maintenance is carried out in accordance with the Council's Financial Regulations.<br>Council has a revenue budget for asset maintenance as well as an earmarked reserve fund.   | NIL | RFO  | Whenever |
|                       |                            |   |   |     | RFO / Members                                | 2/year   |
| Financial Records     | A. Knowledge of Statute    | L | Council has appointed a qualified Clerk to manage the Council's financial affairs. Noted that the post-holder is also an Internal Auditor contracted to carry out internal audits on behalf of S.A.L.C.   | NIL | Council                                      | Annual   |

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|                   | B. Inadequate records                                | L | Internal control expanded to provide a more robust system of controls these are carried out on a ¼ly basis by an appointed member of the Parish Council.<br>Office 365 used – 1TB of cloud storage. Personal records kept securely within locked filing cabinet - not for public records.<br>Controls set for access to the Council’s bank accounts and ability to access records.<br><br>Internet Banking controls in form of Internet Banking Policy covers the functioning of the operation of internet banking. RFO to create payment with 2 of 3 signatories to authorise.<br><br>Internal control expanded to limit access to the transfer of monies between Parish Council operated accounts and access to online bank statements by the RFO.<br>Internet access limited by passwords – renewed on an annual basis. | NIL | RFO & Member    | 4/year   |
|                   | C. Loss of records                                   | L |  | NIL | RFO             | 12/year  |
|                   | D. Access to bank records                            | L |  | L   | RFO/ Member     | 1/year   |
|                   | E Internet Banking                                   | M |  | L   | RFO             | 2/year   |
|                   | F Transfer between accounts held by Council          | L |  | L   | RFO             | 1/year   |
| Council’s Records | Access to records held on the Council owned computer | L | A system of access to the Council’s laptops via a BITLOCK key has been implemented. A paper copy of the access code for entry onto the laptop, which is operated by the Clerk for Council work, is kept in a sealed envelope securely locked in the safe.<br>Access to the envelope containing the access code to be opened in the absence of the Clerk must be by the Chair in the presence of another Councillor.<br>Access to the laptop in these circumstances must be in the presence of 2 Councillors and a report submitted to the Council detailing the reasons for such access to be submitted at the next available meeting.   | NIL | Chair & Member  | Whenever |
| Legal Powers      | Illegal activity or payment                          | L | Council educated as to their legal powers (Council is eligible to use General Power of Competence – eligibility confirmed at meeting of full Council May 2019).  | L   | Diary           | Annual   |
| Governance        | A. Standing Orders                                   | L | Council has formally adopted tailored Standing Orders which are reviewed on an annual basis.   | L   | Clerk / Council | Annual   |

|   |  |          |  |            |                                  |   |
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|   | B. Financial Regulations                         | L        | Council has formally adopted tailored Financial Regulations which are reviewed on an annual basis. Council has registered with the ICO as a Data Controller under the Data Protection Legislation. Renewal is on a Direct Debit Mandate.   | L          | Clerk / Council                  | Annual                                      |
|   | C. Data Protection                               | L        | Council has carried out a Data Audit and identified the legal basis for processing personal data.  | L          | RFO                              | 1/year                                      |
|   | D. General Data Protection Regulations           | L        | Procedures are in place for dealing with Subject Access Requests; Data Breaches – detecting, reporting & investigating and obtaining consent. Privacy Notices updated and are available on the website and in the Parish Council Office.   | L          | Clerk / Council                  | 1/year                                      |
|   | E. Data Protection Impact Assessments (DPIAs)    | M        | Mandatory where the processing of data poses a high risk to the rights and freedoms of individuals. Council will carry out a DPIA when processing is likely to result in a high risk to the rights and freedoms of data subjects and will ensure if data is to be retained there are clear reasons for its retention and the manner in which such data will be destroyed.                    | L          | Clerk/Council                    | 1/year                                      |
|   |  |          |  |            | Clerk                            | As and when                                 |
| <i>Unidentified for security purposes</i> | <i>Access to records and items kept securely</i> | <i>L</i> | <i>Not for public knowledge</i>  | <i>NIL</i> | <i>Clerk/Chair or Vice-Chair</i> |   |
| Minutes                                   | Accurate and Legal                               | L        | Parish Council minutes - reviewed at next scheduled meeting.<br>Planning Committee minutes – reviewed at next Parish Council scheduled meeting.<br>Policy & Resources Committee minutes – reviewed at next Policy & Resources Cttee Meeting with recommendations submitted to full council.<br>Recreational Facilities Committee minutes – reviewed at next Recreation Ground Cttee meeting. |            | Diary                            | 12/year<br>12/year<br>As and when<br>4/year |
| Members Interests                         | A. Code of Conduct                               | L        | Council has adopted the Suffolk Local Code of Conduct  | NIL        | No action                        | No action                                   |

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|  | B. Conflict of Interest | L | Update Declarations of Interest – opportunity to update at each meeting and reminder set at Annual Parish Council Meeting. | NIL | Diary | Within 28 days of change |
|--|-------------------------|---|--|-----|-------|--------------------------|