

Aldbury Parish Council Financial and Management Risk Assessment

Reviewed and approved on 12th May 2025

This document has been produced to enable the Parish Council to assess the financial and management risks that it faces and satisfy itself that it has taken adequate steps to minimise them and must be in place as part of the council's internal controls. Assessing risk is an essential action to enable council to propose a positive assertion when signing the Annual Governance Statement.

Area	Risk(s) Identified	Level of Risk High/ Medium/ Low	Management/Control of Risk	Review/Assess
Precept	Adequacy of Precept	Low	<ul style="list-style-type: none"> The Council reviews the actual spend to budget after the half year The Council discusses the level of Precept at budget setting time in the context of the level of its Reserves and any grants to be received from Dacorum Borough Council (DBC). The Precept is based on these and the income and expenditure requirements for the following year 	To be reviewed by the Council as part of the annual budget setting process
	Precept request submitted to DBC and collected by them	Low	<ul style="list-style-type: none"> The Clerk submits signed precept forms to DBC (and copies the Chair and Vice Chair in the email) by the end of January deadline. The Clerk checks the bank statements and informs the Council when the Precept and associated grants have been received from DBC 	
Bank & Banking	Inadequate Checks	Low	<ul style="list-style-type: none"> The Council had adopted NALC's model Financial Regulations which set out requirements for banking, procurement and reconciliation of accounts. These are adhered to by the Clerk/RFO and Councillors 	To be reviewed by the Council annually, as part of the review of the Financial Regulations
	Bank errors	Low	<ul style="list-style-type: none"> Any errors made by the bank in processing payments or receipts would be discovered by the Clerk/RFO when reconciling the monthly bank statements with the payment schedule, cheque 	

			<p>book and paying-in book. Any errors are reported to the bank immediately by the Clerk.</p> <ul style="list-style-type: none"> The Council uses online banking and has a current account with Unity Trust Bank and the Public Sector Deposit Fund with CCLA, which is a short term investment 	
Cash	Loss through theft or dishonesty	Low	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements Any cash received (mainly as part of allotment rents) will be recorded and banked by the clerk within 6 working days of receipt. As of 2020 an invoicing system is used to collect the allotment rent, the invoice acts as a receipt and the Clerk emails tenants when rent is received 	To be reviewed by the Council annually, as part of the review of the Financial Regulations.
Direct Costs & Overhead Expenses	Goods not supplied Incorrect invoicing Cheque payable incorrect	Low Low Medium	<ul style="list-style-type: none"> The Council's Financial Regulations set out requirements for making payments and are adhered to Every Council meeting agenda contains a list of payments to be approved along with associated invoices and receipts. The Clerk has checked these against goods received/services supplied, prior to the Council meeting and circulates these to members prior to the meeting. After reviewing list of payments, the Council passes a resolution to make the payments. One Cllr checks the list of payments against the invoices received and signs the invoice to show this has been checked and approved Unpaid invoices due to the Council are pursued and where possible payment obtained. Where the Clerk has concerns about the collection of any invoice she will bring this to the attention of the Council 	To be reviewed by the Council annually, as part of the review of the Financial Regulations.
	Unpaid invoices	Medium		
Grants & Support – Payable	Power to Pay Authorisation of the Council to pay	Low	<ul style="list-style-type: none"> Power to pay and agreement of grant and conditions is being minuted. Grant listed as a payment and authorised as such The Clerk checks on each occasion to ensure that the section 137 expenditure limit under the Local Government Act 1972 is not exceeded for the financial year The Council also considers grant applications from village halls in accordance with section 133 of the Local Government Act 1972 	Process for the payment of Grants to be reviewed by the Council annually. Grant and donation policy to be reviewed every two years
Grants - Receivable	Receipt of Grant	Low	<ul style="list-style-type: none"> Annual Concurrent Services Grant and Warden's Grant is being received from DBC. The Clerk checks these have been received 	Process for receiving annual grants from DBC to be reviewed by the

			<p>and the amounts are correct and reports their receipt to the Council</p> <ul style="list-style-type: none"> One off grants will come with terms and conditions which would need to be satisfied e.g Tesco Bags of Help, Luton Rising, The National Lottery Community Fund and DBC Community grant. 	<p>Council as part of the annual budget setting process. Process for receiving one off grants to be reviewed as required.</p>
Charges/Rental - Payable	Payment of charges, rentals and leases	Low	<ul style="list-style-type: none"> The Parish Council lease the Recreation Ground and the Allotments in Aldbury from the St Alban's Diocesan Board of Finance. Invoices are added to the list of payments to be approved by the Council. The lease on the Recreation Ground was renewed in March 2021 and ends on 28th September 2036. The lease on the Allotment land ends 2027. 	<p>Process to be reviewed annually by Council as part of the budget setting process.</p>
	Renewal of lease, increase in rent	Medium		
Charges/Rental - Receivable	Non-receipt of Rental Insurance implications	Medium	<ul style="list-style-type: none"> The Parish Council collects allotment rents once a year. An invoice is issued to all allotment holders and the rents collected primarily via BACS. Cheques are banked by the Clerk within 6 working days of receipt. A summary of payment of allotment rent is presented to the Council. The allotments are covered by the Parish Council's insurance which is reviewed annually on renewal. 	<p>Process for managing the allotments and collecting rent to be reviewed annually by the Council.</p>
Salaries and Associated Costs	Salary paid incorrectly	Low	<ul style="list-style-type: none"> The Clerk's salary is paid monthly. The Clerk's salary is reviewed annually by Staff Committee. The Clerk is contracted to work set hours (currently 15h a week) which were approved by the Council. Tax and NI payments are calculated by the payroll provider. The Clerk joined the LGP scheme in May 2020. Pension Contribution is calculated by the payroll provider but the Clerk submits monthly and End of Year returns on LPPA portal. 	<p>To be reviewed annually by the Council as part of budget setting process.</p>
	Wrong deductions – NI, income tax	Low		
VAT	Non-reclaim of VAT	Low	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. VAT is reclaimed annually or where required in accordance with the VAT Act 2974 section 33 of the VAT Act 1994 	<p>To be reviewed annually as part of the Annual Return process.</p>
Reserves – earmarked and general	Adequacy	Medium	<ul style="list-style-type: none"> The Council ensures its reserves are adequate and at a minimum represent two thirds of the current year's expenditure. 	<p>To be reviewed annually in line with review of the Financial Regulations and Reserves Policy.</p>

Borrowing	Adequacy of finances to be able to repay a loan (currently none)	Low	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements for borrowing money. The Council would conduct a financial review and cashflow forecast as part of the process of obtaining a loan. Loan repayments would be included as part of the annual budget process. 	To be reviewed by the Council annually, as part of the review of the Financial Regulations.
Assets	Loss of or damage to assets Risk or damage to third party property or individuals	Medium	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. An accurate Register of Assets is maintained and reviewed annually by the Council in March. A Replacement Reserve will be established for any significant asset purchases The Register of Assets is included as part of the insurance review and renewal The adequacy of the Council's Public Liability insurance is reviewed annually 	To be reviewed by the Council annually, as part of the review of the Financial Regulations.
Financial Records	Inadequate Records Financial Irregularities	Medium	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. The Council follow the Financial Regulations and the Financial Records are checked as part of the internal audit process 	To be reviewed by the Council annually, as part of the review of the Financial Regulations.
Business Continuity	Risk of Council not being able to continue its business due to an unexpected circumstance	Low	<ul style="list-style-type: none"> All electronic records are backed up and to be stored on One Drive and Office 365. The Council IT administration and IT continuity plan is supported by two nominated Councillors Any security sensitive documents will be password protected and the passwords shared separately with the Chairman, Vice-Chairman and two nominated Councillors Given the infrastructure of the Council(no permanent office, diverse but locally available Cllrs, adequate number of bank signatories, online banking etc) and assuming the council remains quorate, the Council could continue to operate in any circumstances 	To be reviewed every 6 months by the nominated Councillor and the Clerk.
Reporting & Auditing	Communication of Information Compliance	Low Low	<ul style="list-style-type: none"> A budget monitoring report and bank reconciliation to be produced for each meeting for presentation to the Council. Statements are reviewed and approved by the Council. Monthly bank reconciliations produced and signed off by one Cllr Internal and External Audits takes place annually 	To be reviewed by the Council annually, as part of the review of the Financial Regulations. This will also be reviewed by the Council

Agendas/ Minutes/ Notices	Accuracy and legality	Low	<ul style="list-style-type: none"> • Agendas and minutes are produced by the Clerk and adhere to the requirements set out in the Council's Standing Orders • Agendas are displayed and minutes are available in accordance with the legal requirements set out in the Council's Standing Orders • Minutes are approved and signed at the following Council Meeting 	To be reviewed annually in line with review of Council's Standing Orders.
Members Interests	Conflict of Interest	Medium	<ul style="list-style-type: none"> • Members declare interests at the start of every Council meeting. These are recorded in the minutes • Register of Members' Interest forms are reviewed annually by all Councillors at the Annual Council Meeting. 	To be reviewed annually in line with review of Council's Standing Orders.
	Inaccurate Register of Members' Interests	Medium		
Insurance	Adequacy, cost, compliance, fidelity guarantee, fraud by staff	Medium	<ul style="list-style-type: none"> • An annual review is undertaken of all insurance arrangements in place, including Fidelity Guarantee value which is appropriately set • The Register of Assets is included as part of the insurance review and renewal • The adequacy of the Council's Public Liability insurance is reviewed annually 	Insurance arrangements to be reviewed annually. Current Insurer Clear Councils (formerly known as BHIB) Council's Insurance under LTU until 2026 renewed by 1 st June each year.
Data Protection	Policy Provision	Low	<ul style="list-style-type: none"> • The Council is registered with the Information Commissioner 	To be reviewed annually.
Freedom of Information	Policy Provision	Medium	<ul style="list-style-type: none"> • The Council conforms to the Freedom of Information Act and responds to individual requests in accordance with it. The Council adopted publication scheme for Local Councils 	To be reviewed annually.
Availability of Council Information	Publication of Information	Low	<ul style="list-style-type: none"> • The Council adheres to the Transparency Code and aims to publish relevant information on the Aldbury Parish Council website as soon as it is practical to do so 	To be reviewed annually.