

LAVERSTOCK & FORD PARISH COUNCIL

Report for Agenda Item 25.077 Review of Financial Risk Assessment

Subject: Review of Financial Risk Assessment
Date: 10th May 2025
Author: Andrew Prince, RFO

1. Report Summary.

- 1.1 This report presents an expanded assessment of the risks faced by the Council and how they are managed and controlled.

2. Background.

- 2.1 It is a requirement of the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide that the Council carries out an assessment of the risks that it faces and takes steps to manage those risks.
- 2.2 The Annual Governance Statement by the Council includes in Assertion 5 that the Council "carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance where required".
- 2.3 The External Auditor, PKF Littlejohn LLP, has selected this Assertion for further investigation and has requested a copy of the relevant minutes and agenda papers from the meeting at which this Assertion statement was discussed.

3. Risk Assessment.

- 3.1 The Risk Assessment is continually monitored and reviewed by the RFO throughout the year. It is not an annual event. It is important however that the Risk Assessment is reviewed and approved annually by the Council prior to making Assertion 5 in the Annual Governance Statement.
- 3.2 The Risk Assessment that was approved by the Council on 14th April 2025 has been updated and expanded and is presented again for approval. Version 2 is attached at Annex 1.

4. Recommendation.

- 4.1 That the Council approve the Financial Risk Assessment.

Annex 1

LFPC FINANCIAL RISK ASSESSMENT 2024-2025 v2.docx

Laverstock & Ford Parish Council Financial Risk Assessment 2024-2025

Presented to Full Council for Approval 12th May 2025

Purpose of Document. This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Risk Assessment was conducted as follows: -

1. Identify the **Area** to be reviewed.
2. **Identify the Risk.**
3. Assess the **Risk Level** and categorise. 1 = Low, 5 = High.
4. Decide on how to **Manage & Control the Risk.**
5. Identify any **Action Required.**

Colour Code: **Yellow** – risk amendment. **Green** – positive action. **Red** – negative action.

Area	Risk Identified	Risk Level	Management & Control of Risk	Action Required	Date last monitored
Precept	Adequacy of Precept	2	PC has budget and actual information every month. The Precept is agreed at a dedicated full meeting of Council.	None	16 Dec 2024 amended 20 Jan 2025
	Non-receipt of Precept	1	RFO to monitor in April & September	None	25 Sep 2024
Financial Records	Inadequate Records	2	The records required are stated in Financial Regulations.	None	17 Feb 2024
	Financial irregularities	2	Monthly checks by nominated Councillor	None	14 Feb 2024
			Annual Internal audit	IAC re-appointed as Internal Auditor. Inspection 7 March 25.	7 March 2025
Banking	Loss of cheques	1	Cheques copied & banked by mail	None	23 Dec 2024
	Bank errors	1	Deposit slips reconciled to statements. Monthly reconciliation on Scribe.	None	6 March 2025
Cash & Petty Cash	Fraud or Theft	1	Cash payments not permitted. No petty cash held.	None	No cash receipts since January 2013

Area	Risk Identified	Risk Level	Management & Control of Risk	Action Required	Date last monitored
Financial Reporting	Lack of Information Communication	2	Statements are prepared monthly from Scribe Accounts before each Parish Council meeting. These include a Summary of Receipts & Payments, a Bank Reconciliation, a list of Payments for Approval, and Reserves Balances. A report of Treasury deposits is also provided.	None	12 May 2025
Costs & Expenses	Incorrect invoicing. Incorrect cheque for payment. Incorrect BACS payment.	1	Invoices checked & passed by RFO Invoices checked and initialled by Councillor (Finance). Cheque payments discontinued. BACS payments checked against invoices by Councillor (Finance). BACS payments authorised by RFO or Clerk & 2 Councillors. BACS payments approved by full Council.	None	12 May 2025
Best Value & Accountability	Overspending & Poor Value	3	Three quotes mandatory for all contracts above £25,000. Between £3000 & £25,000 three quotes required with some exceptions. Between £500 & £3000 three quotes advised. Values ex-vat.	Controlled by Financial Regulations. Review annually.	New Financial Regulations based on NALC model approved October 2024.

Area	Risk Identified	Risk Level	Management & Control of Risk	Action Required	Date last monitored
Debit Card	Fraudulent or inappropriate use	3	Use restricted to £1,000 for any single item in accordance with Financial Regulations. Use above £1,000 only with prior approval. All transactions checked monthly by Councillor (Finance) & approved by full Council.	Controlled by Financial Regulations. Reviewed annually	Regulations revised & approved October 2024.
Salaries	Incorrect Rate paid.	1	Seven employees – Clerk (vacant), Deputy Clerk, RFO, Communications & Community Engagement Officer, Operations Officer, Operations Assistant & Community Venues Officer. Salaries in accordance with National Joint Council for Local Government Services guidelines. A review by the Local Council Consultancy commissioned for May 2023. Reported June 2023. 2024-2025 Pay Review paid Nov 2024 back dated to 1 April 2024.	Monitored through NALC and SLCC by Personnel Committee. All changes approved by Full Council.	Staffing review including salaries completed by LCC in June 2023. Approved by Full Council in July 2023. Adjusted salaries for RFO & Deputy Clerk approved 17 Feb 2025.
	NI & Tax not paid	1	Calculated by external payroll service provider. Checked annually on HMRC website.	Paid monthly.	7 March 2025

Area	Risk Identified	Risk Level	Management & Control of Risk	Action Required	Date last monitored
Overtime payments	Excessive claims	2	Seven employees – the Clerk, Deputy Clerk, RFO, Communications & Community Engagement Officer, Operations Officer, Operations Asst. & Community Venues Officer. Timesheets prepared weekly and reconciled monthly. Reviewed at point of payroll preparation by Clerk and RFO. Checked monthly by member of Finance & General Purposes Committee.	Timesheets monitored by RFO. Payments or time off in lieu checked by RFO & Clerk.	9 May 2025
Expenses	Expenses over-claimed	1	All expenses claimed to be supported by receipts. Mileage claims monitored by RFO.	Expenses approved monthly by Councillor (Finance)	9 May 2025
VAT	Not reclaimed	1	VAT recovery to be claimed at least quarterly by RFO in accordance with Financial Regulations unless directed otherwise by the Parish Council. VAT recovery to be claimed whenever the recoverable amount exceeds £10,000.	Q3 claims. Oct-Nov 24 £19,912.99. Dec 24. £9,231.46. Q4 claim sent 22 Apr 25, £9,782.19.	Paid 5 Dec 24. Paid 8 Jan 25. Paid 24 Apr 25

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Election Costs	Risk of Election Cost	2	The risk might be higher in an election year. Wiltshire Council have in March 2015 said that all parish council election costs will in future be charged back to the parish council and that the cost could be up to £5000. There are no measures that can minimise the risk of a contested election.	Ensure that the General Reserve is sufficient to meet a possible election cost. A £3,000 provision in precept for uncontested elections.	9 May 2025. No invoice received for elections on 1 st May 2025.
Annual Return	Late submission	1	Annual return to be approved by the Parish Council and completed by the internal auditor before the required submission date.	Submission to be approved by Full Council on 16 th June 2025. Submission deadline 1 July 2025.	Last Annual Return submitted on 17 th June 2024. Completion letter received 27 Aug 2024.

Area	Risk Identified	Risk Level	Management & Control of Risk	Action Required	Date last monitored
Insurance	Adequacy of Insurance Cover Cost Compliance	1	An Annual review of assets and insurance risk. A review whenever the Council acquires or assumes responsibility for new assets. A review whenever the Council plans a Special Event.	Report to and approval by Finance & General Purposes Comm. Referred to Full Council 12 May 25 RFO to review cover & increase if required. Last reviews for Whitebridge, CHCP Artwork & new laptop. CEV equipment added for June 2025 renewal RFO to complete & submit Special Event proposal.	Renewal for approval 12 May 2025. Review of Play Equipment, Bus Shelters, IT Equipment, Street Name Plates, SID & CEV equipment 2nd May 25 Monitoring in 2025.
Asset Control	Record of Council's Assets and Investments	2	Review to ensure that insurance cover is adequate and necessary.	An annual review prior to annual renewal of insurance.	Completed on 9 th May 2025

Area	Risk Identified	Risk Level	Management & Control of Risk	Action Required	Date last monitored
Fidelity Guarantee Insurance	Loss of money or other property belonging to the Council as a result of fraud or dishonesty by employees.	3	Review to ensure that Fidelity Guarantee Insurance is adequate for the funds and property held.	Review annually. Current cover is for £1m which is maximum available from Zurich Municipal. £2m approved for Clerk & RFO only. Extension to include Deputy Clerk requested.	Completed on 9 th May 2025 Included in renewal schedule for 1 st June 2025..
Lease of land at Cow Lane to Vodafone Ltd	1. Non-payment of rent.	2	Confirm payment received quarterly in March, June, September & December.	Check monthly bank statements.	14 Mar 2025
	2. Rent not reviewed at 3-year anniversary of Lease dated 6 February 2009.	2	Confirm new RPI indexed rent review at each 3-year anniversary. 2012, 2015, 2018, 2021 etc.	Rent review due in July 2021. Resolved by Council not to seek a review.	18 July 2022
Lease of land at Whitebridge Road to Paget.	Non-payment of rent	2	Invoice Annual Rent on 1 June each year.	Confirm on bank statement that rent has been received.	New 7-year lease completed. Rent paid 5 Aug 2025
Lease of Old Sarum Community Centre to CIO.	Non-payment of Insurance Rent.	3	Monitor financial health of CIO. Ensure Council has reserves to meet insurance premium in the event of non-payment.	Invoice CIO when renewal premium known.	Invoiced 30 May 2024. Paid 30 May 2024.
Lease of Hampton Park Pavilion to the Charity	Confirming conditions of occupation including non-payment of insurance.	3	Lease not agreed. Licence to occupy continues with no obligation to pay for building insurance.	Agreement to wait until completion of proposed alterations.	Meeting with charity 28 th April 2025.

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Recovery of VAT from the non-business activities of the Council.	The refusal by HMRC to permit the recovery of VAT by the Council because it does not comply with the regulations contained in VAT Notice 749.	4	RFO to seek professional advice or request confirmation from HMRC whenever purchases are made relating to property or premises owned by the Council if there is doubt about compliance with VAT 749 regulations.	No action required. Purchase of LED lighting by OSLCC part funded by Council required apportionment of VAT claim .	
All new developments	Failure to pay S106 funds by trigger points.	4	Review all S106 payments and keep a record of when they are due and when paid. Where payments have been made to Wiltshire Council to investigate transfer to the Council by application or Side Agreement.	Invoice Vistry for play and open space maintenance before taking over management.	Ward Grove invoiced £52,887 on 12 Jan 24. Paid 18 Mar 24. Side Agreement signed 5 Dec 23 to gain £24,491.06 from 19/02482/FUL. Paid 4 th Mar 24

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Litigation, liabilities or commitments, events or transactions that might have a financial impact.	Uninsured risk of litigation expenses, fines and compensation.	4	A thorough inspection and risk assessment of all Council Assets.	Monthly inspection.	17 th March 2025
				Play areas & skatepark.	
				1. Weekly inspections.	9 th May 2025
	Purchases outside the funding ability of the Council.	2	A comprehensive Insurance policy that includes Public Liability, Employers Liability and Legal Expenses.	2. Quarterly inspections	29 th April 2025
				3. Annual RPII inspections	November 2024
				Annual risk assessment of Assets.	17 March 2025
				Annual Review & regular amendments as assets change	12 May 2025
				Controlled by Financial Regulations.	Last amendment 10 th Mar 2025.

Financial Risk Assessment updated 12th May 2025.