KIPPAX PARISH COUNCIL

UNITY IN THE COMMUNITY

KIPPAX PARISH COUNCIL – FINANCIAL RISK ASSESSMENT

- This document has been produced to enable Kippax Parish Council to assess the risks inherent to its financial activities and satisfy itself that it has taken all reasonable steps to minimise them.

Date approved: 16th April 2026
Minute Ref: 162/FC/2526i

AREA	IDENTIFIED RISK	LEVEL OF RISK	CONTROLS	ACTION REQUIRED
Precept	Adequacy of precept to enable the Council to carry out its statutory duties and provide its services and facilities	L	• Annual budget produced • The Finance and Corporate Governance Committee receives monthly budget report. • Monthly information and budget monitoring allows Council to estimate standing costs and costs of projects for the subsequent years to set the annual budget	• No action required. • Existing procedure adequate
Financial Records	Inadequate records leading to financial irregularities	L	• Financial Regulations set out requirements for production of records. • Cashbook reviewed monthly by the finance and Corporate Governance committee	• No action required. • Existing procedure adequate

AREA	IDENTIFIED RISK	LEVEL OF RISK	• CONTROLS	• ACTION REQUIRED
Petty Cash for caretaker purchases	Loss or theft	L	• Financial Regulations set out the requirements for managing the petty cash float. • Petty cash float limited to £100 • Vouchers for payments re-imbursed from the petty cash float are to be presented for review by the Finance and Corporate Governance Committee before the payment to maintain the petty cash float is made	• No action required. • Existing procedure adequate
Multipay card purchases	Loss from fraudulent purchases Loss of card	L	• Monthly transactions and reconciliation to statement reviewed by the Finance and Corporate Governance Committee • Overall limits and individual transaction limits on card purchases set according to business need • Clerk's card stored in the lockable fireproof storage box at clerks' home when not in use.	• No action required. • Existing procedure adequate
Bank and banking	Inadequate checks/ bank mistakes	L	• Financial Regulations set out controls in place for payments • Monthly cash book and bank reconciliation statement reviewed by Finance and Corporate Governance Committee	• No action required • Existing procedure adequate
Bank and banking	Loss of funds due to banking failures	L	• Funds up to £120,000 per bank are covered by the FSCS guarantee • Investment strategy in place prioritises security of funds and funds are spread across a number of banks to utilise the FSCS guarantee.	• No action required • Existing procedure adequate

AREA	IDENTIFIED RISK	LEVEL OF RISK	• CONTROLS	ACTION REQUIRED
Reporting and Auditing	Communication of information	L	• Financial matters are reviewed monthly by the Finance and Governance Committee and recommendations made to full council for approval • Monthly checks made by the Finance and Governance Committee. • Annual Return subject to internal and external Audit.	• No action required. • Existing procedure adequate
Annual return submission to external audit	Submission within time limits to avoid financial penalties	L	• Annual Return presented to Finance and Corporate Governance Committees and recommendations made to Full Council for approval and signing before being sent for External Audit.	• No action required • Existing procedure adequate
VAT	Unclaimed VAT /and errors on VAT returns	L	• VAT returns reviewed by Finance and Corporate Governance Committee and refunds from HMRC for reclaimed VAT reported in monthly income. • VAT incurred on expenditure and VAT charged on income is displayed in separate column in cash book. • VAT advice sought from YLCA when necessary	• No action required. • Existing procedure adequate
Best Value Accountability	Work awarded incorrectly. Overspend on goods & services	L	• Parish Council procedure (as per Financial Regulations) to seek 3 estimates for all work estimated to cost over £500 and 3 quotes for work estimated to cost over £3,000. • For major projects, competitive tendering process would be initiated (as per Financial Regulations)	• No action required. • Existing procedure adequate

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Legal Powers	Illegal activity and/or payments	M	• All actions of the Parish Council reported in minutes presented to all members and published on the website. • Payments approved at the monthly full council meeting. • Where payments are made between meetings (as per financial regulations) these are reported to the Finance and Corporate Governance Committee to confirm their accuracy.	• Existing procedures adequate • No action required.
Wages and associated costs	Salaries paid incorrectly Incorrect HMRC NI and PAYE payments RTI submitted on a monthly basis to HMRC by the deadline to avoid any penalties Compliance with Pensions auto enrolement duties	L L L L	• Salary payments are included in monthly checks made by the Finance and Corporate Governance Committee. • Task delegated to payroll service provider to ensure correct deductions made and HMRC quarterly payments included in checks made by the Finance and Corporate Governance Committee. • Task delegated to payroll service provider • Pension scheme in place with NEST and enrolment duties complied with. Pension Provider completed three yearly declaration of compliance	• No action required. • Existing procedure adequate
Fraud	Fraud by employees	L	• Requirements of Fidelity Guarantee within insurance provision. • Regular checks and internal controls on financial activities	• No action required. • Existing procedure adequate

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Employers Liability	Liability for injuries to employees and volunteers whilst undertaking work	L	• Employer's liability insurance cover in place • Risk assessments undertaken for employees and volunteers' activities and action taken to mitigate risks accordingly	• No action required. • Existing procedure adequate
Adequate insurance provision	Insurance provision inadequate for the risk identified	L	• Annual review is undertaken of all insurance arrangements by the Finance and Corporate Governance Committee	• No action required. • Existing procedure adequate
Insurance cost	Best value practice not undertaken	L	• Cost of insurance provision and service provided by said provider reviewed and alternative quotes sought at end of a long-term agreement	• No action required. • Existing procedure Adequate
Physical assets	Loss or damage Risk of injury to third parties	M L	• Physical assets are recorded on an asset register and added to the council's insurance when purchased. • The asset register is reconciled to the insurance schedule at renewal and reviewed by the Finance and Corporate Governance Committee. • The Village Service Committee arranges for the annual inspection of the flagpoles and servicing of the caretaker's equipment. • Public Liability insurance in place	• No action required. • Existing procedure adequate