

**Debenham Parish Council**  
**Financial Risk Assessment – Year ending 31.03.2025**

**Potential areas of risk:**

1. Budget	Inadequate budget to meet commitments	<b>Infrequent</b> - Appropriate budgeting process in place and reserves held for emergency
2. Reserves	Inadequate reserves to deal with emergencies	<b>Infrequent</b> - Good practice observed and formal policy adopted in 2024
3. Payments	Unauthorised expenditure	<b>Infrequent</b> - Members observe Standing Orders and Financial Regulations and take note of advice from the Proper Officer; No contracts for services/orders to be issued by anyone other than the Clerk/RFO following full Council resolution.
4. Lawsuits	Compensation resulting from injury as a result of PC activity/action	<b>Medium</b> - Due process in place to investigate complaints and address any issues; reported to insurance in all cases
5. Delegation	Inadequate financial regulation of committee activity	<b>Infrequent</b> - Financial decisions to be made exclusively by full Council, unless delegated to a Committee and clearly stated on their Terms of Reference.
6. Personnel	Personnel issues	<b>Infrequent</b>

**Methods in place to minimise risk:**

1. Council operates in accordance with Model NALC financial regulations (tailored to suit local needs 1-5 above).
2. Full Council meetings are held monthly (quarterly for FAWG and as necessary by the Employment Committee) to:
  - a) Monitor budget; prepare precept for approval by Council in January; support Clerk as RFO in monitoring expenditure against budget for report to the Council
  - b) Approve accounts for payments and note receipts
  - c) Monitor adherence to financial regulations and monitor their relevance
  - d) Monitor insurance, investments & assets
  - e) Review contracts and salaries (1, 2, 6 above)
  - f) Monitor monthly bank reconciliations with bank statements.
3. Accounts for payment listing, receipts, bank balances, invoices and cheque books are presented by Clerk to full Council meeting for authorisation by resolution and to be duly signed/initialled as required:
  - a) Stubs and invoices initialled by two signatories
  - b) No cash payments and no petty cash
  - c) Payments and Receipts listing included in the Minutes
  - d) All invoices and Income receipts scanned and shared with full Council in Slack every month
  - e) Annual allotment rent demands and deposit payments managed by Clerk
  - f) Allotment payments monitored by Clerk and arrears chased where necessary
  - g) Cemetery payments monitored by Clerk and arrears chased where necessary

- h) All monies paid in are by cheque / bank transfer
4. Cheques received to be presented for payment within 7 days where possible. In cases where cheques need to be withheld, Clerk/RFO to notify Council and state on “accounts for payment and receipts” statement.
  5. Standard Local Government Insurance for public liability £5,000,000 and personal accident cover for Clerk/Councillors when engaged on duties in connection with Parish Council business only £20,000.  
Fidelity Guarantee cover to £250,000.  
Business interruption: reinstatement cover to £500.
  6. Council operates nationally agreed Financial Regulations; reviewed and approved annually.
  7. Written budgetary proposals are provided by each committee to the November Council meeting (2.1 Financial Regulations) (1 above)
  8. Matters raised by Internal and External Auditors are noted and actioned (when needed) by the Council.

**Reviewed on 14<sup>th</sup> April 2025**

**Next Review: March 2026**