

GNOSALL PARISH COUNCIL
(Including the Wards of Moreton and Knightley)

Clerk of the Council:
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Financial Risk Assessment Policy

This FRA seeks to identify potential financial risks to the Council and to identify mitigating procedures which make such risk less likely. It will be updated in light of changing circumstances and will be monitored and reviewed as part of the normal policy review schedule.

Written:	2017
Formally adopted by Council:	In revised form, June 2020
Revised:	January 2025
Next Review:	January 2026

GNOSALL PARISH COUNCIL FINANCIAL RISK ASSESSMENT

Subject	Risk(s) identified	H/M/L	Management/control of risk	Review/Assess/Revise
Assets	Loss, damage etc	L	Annual Inspection of Asset Register by RFO/Resources Committee to ensure adequate cover and security	Assessed adequate
Audit	Annual audit late Annual audit not advertised	L L	The Clerk/RFO prepares the year end accounts and Annual Return for the Internal Auditor to review. Once the accounts have been returned and any recommendations reported on and actioned, Council then approves them at its meeting in May with all audit papers and the annual return being submitted to the External Auditor for review. The Clerk ensures the annual audit notice is put on the Council notice board and website for the public to view, for the prescribed period of time.	Assessed adequate
Bank records & banking	Banking/financial errors	L	All items of income & expenditure are cross-referenced against bank statements and a monthly statement and reconciliation report is created for authorisation and presented to the Chair of Resources Committee. Both records are subject to Audit controls and checking.	Assessed adequate
	Loss through theft and dishonesty	L	All approved expenditure and income is advertised via monthly Full Council meeting minutes. All cheques are to be signed by approved signatories with stubs initialled also. Blank cheques are never authorised and if a mistake is made on a cheque, it is automatically cancelled and a line put through it. The Council is also covered by a Fidelity Guarantee of £250k.	Current procedures and insurance adequate
	Online banking: Incorrect payments made No monitor on electronic entry Payments made w/o Council approval	L	All BACS payments are approved by Full Council. Should a payment have to be made outside of the normal meeting, financial regulations must be adhered to.	
Cash	Loss through theft or dishonesty	L	The Council strongly encourages payment by BACS but this is not possible for all users and at certain times, petty cash will of necessity accrue. Petty cash is held by the Clerk and every effort is made to keep it below £125, though at certain times payment of fees will add up to more than this. Cash is kept in a secure cashbox, out of sight, and is paid into the Bank as soon as possible.	Assessed adequate

Computer records	Loss of essential information leading to impaired function	M	Files backed up regularly and copies saved in another location Maintenance contract continued with IT support	Assessed adequate
Data Protection	Non-compliance with Data Protection legislation, possible fine	L	GPC is registered with the ICO of the UK Data Protection Agency and is governed by and mindful of their regulations.	Assessed adequate
Debit card	Incorrect use	M	The use of the debit cards is restricted to the Clerk/Council Support Officer and is only used in line with agreed policy. Debit card use is restricted to a single transaction with a maximum value of £500 unless authorised by Council or Resources Committee. All such purchases form part of the monthly Income & Expenditure information presented to Full Council for approval.	Assessed adequate
Employees	Fraud by staff	L	Requirements of Fidelity Guarantee insurance adhered to with regards to fraud. If fraud is suspected, involve relevant authorities as soon as possible.	Assessed adequate
	Health & Safety issue leading to possible claim against GPC	L	All employees to be provided with adequate direction and safety equipment needed to undertake their roles. Health and Safety Policy reviewed annually	Monitor H&S requirements and insurance annually
	Clerk/CSO leaving would render GPC under great strain, possible threat.	M	Regular review of terms & conditions to ensure best possible working conditions and expectations. Immediately advertise vacancy and request help from SPCA in the event of loss of personnel.	Assessed adequate
	Possibility of subsequent fraud due to inadequate supervision/checks on remaining postholder	L	In the event of one postholder leaving, arrange suitable cover/supervision/support for the remaining postholder as a matter of urgency.	Assessed adequate
Expenses	Incorrect amount paid / invoiced	L	Check accuracy. Internal audit check.	Review Regulations.
	Power to pay, non compliance with Financial Regulations	L	Checks by RFO/2 councillors to sign	
Financial Regulations	Not adhering to policy and procedure as set out in the Financial regulations	L	The Clerk/RFO follow the model Financial regulations as set out by NALC, which have been adopted by the Full Council. These are reviewed annually by the Clerk, Resources Committee and/or Procedures Review Committee and adopted on completion at the next Full Council Meeting.	Assessed adequate

Financial Reporting	Insufficient information	L	The Parish Council appoints an Internal Auditor annually to review and authorise all financial records, prior to end of year accounts being submitted to external audit. All income and expenditure is presented at Parish Council meetings.. Each quarter, the Clerk/RFO circulates to Resources Committee a financial report outlining income and expenditure against budget. All income and expenditure is also entered on to the financial system against the relevant budget heading. The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded on the system accordingly. All accounts are available for public inspection.	Procedure slightly revised at review. Now assessed adequate.
Grosvenor Centre	Risk of damage to building	M	Retain index-linked insurance	Assessed adequate
	Loss of income	M	Continual marketing, maintenance and improvement of facilities, liaison with lessee (Nursery)Income and expenditure are reviewed at quarterly Grosvenor Centre Committee meetings.	Assessed adequate
Insurance	Public Liability Employers' Liability Fidelity Guarantee Libel & Slander Personal Accident – Employees, Volunteers, members	L L L L L	Continue existing cover (£10m) Continue existing cover (£10m) Continue cover for all members and employees (£250k) Continue existing cover (£250k) Continue existing cover (scale benefits)	Assessed adequate
Members' Interests	Conflict of interest	L	Councillors declare any interest in any agenda item at the start of the meeting	Assessed adequate
	Register of Members' Interests	M	The Register is reviewed annually. Councillors are reminded to notify the Clerk of any changes made throughout the year.	Assessed adequate
Precept	Adequacy of precept in order for the Council to carry out its Statutory duties	L	To determine the precept amount required, the Resources Committee regularly receives budget update information. At the precept setting meeting the Committee receives a budget report, including actual position and projected position to the end of year and indicative figures or costings obtained by the Clerk. With this information the Committee maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from SBC, subject to ratification and approval from Full Council. The figure is submitted by the Clerk in writing. The Clerk informs the Resources Committee when the monies are received and this is minuted.	Assessed adequate

Reserves – General & Earmarked	Adequacy	L	Consider at Budget Setting Meeting	Assessed adequate
Salaries & associated costs	Salary paid incorrectly Unpaid tax to Inland Revenue	L	Payroll is outsourced and a monthly payslip issued. Salary and HMRC tax is paid monthly in accordance with direction from the Payroll provider. Payment is approved at the monthly Full Council meeting. The Clerk is authorised at the July Council meeting to make payments in August, to be approved at the September meeting, as Council does not meet in August.	Assessed adequate
Standing Orders	Non adherence to SOs	L	The Clerk and Council follow the model Standing Orders as set out by NALC, which have been revised and adopted by Full Council. These are reviewed annually and adopted at the next appropriate Full Council meeting.	Assessed procedure adequate but review urgently required.
VAT	Unclaimed	L	RFO to check accuracy of payments/claims	Assessed adequate