BRENCHLEY AND MATFIELD PARISH COUNCIL
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**Activity/Area:** Finance and Governance Risk Assessment

**Date of adoption:** 1 December 2025

| Subject | Possible Risks Identified | H/M/L | Management/Control of Risk |
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| **Precept** | Adequacy of Precept: current year | **M/L** | Finance Committee comprising Councillors with experience and financial acumen meets regularly throughout the year and reports to the full Council. The Finance Committee receives regular reports of income and expenditure on a "live" basis allowing reconciliation against budget and consideration of current run rate. Substantial contingency incorporated into budget and significant reserves maintained for unforeseen items. |
| **Precept** | Adequacy of Precept: following year | **M** | Record-keeping software allows budget for following year to be easily compared with current year and for additional items to be highlighted. Costings based on historical evidence or contractual / quoted figures where possible. Year to date actual figures are updated after 6 months to ensure budget needs are highlighted as early as possible. |
| **Precept** | Submission of requirement | **L** | Draft precept requirement prepared for consideration initially by Finance Committee during November before submission to December full Council meeting. Final decision taken during full Council meeting in January. Procedure allows time for review and amendment prior to submission deadline in mid/late January. |
| **Financial record keeping and controls** | Inadequate records and Financial irregularities | **L** | The Parish Council has approved Financial Regulations, which set out the requirements. The Council uses a computerised finance package which automatically backs up its records. These are kept in the Cloud. Financial Regulations are reviewed annually. Records are tested by internal audit carried out by a professional accounting firm whose report is presented to the full Council for review. |

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| **Bank and Banking Payments and Reconciliation** | Inadequate checks<br>Incorrect/erroneous payments<br>Fraudulent payments<br>Bank errors<br>Loss<br>Bank Charges<br>Overdraft<br>FCS Bank protection limit | M | The Parish Council Financial Regulations set out the requirements for banking, etc. The Council has a legal obligation to have two nominated Councillors as authorised signatories on its cheque/online payments and currently all Councillors are on the mandate. A review is carried out of bank signatories after elections and following any resignations or appointment of councillors.<br><br>Accounts payable are produced for council meetings. Invoices are available for scrutiny prior to authorisation of the payments. Two councillors must authorise payments being made and all councillors take turns. Bank reconciliations are carried out monthly. Cashbook Reports are produced and submitted to the Finance Committee.<br><br>New higher interest deposit account (Instant Access) with Unity regularly monitored, with staff able to move funds immediately to current account.<br><br>Separate savings account opened with CCLA with low-risk environment for Charities and Councils. This enabled the Council to be able to keep the balance at Unity Trust under the £85k protection limit. |
| **Internal and External Auditing** | Information<br>Communication<br>Compliance | M/L | The Parish Council has a legal requirement to keep accurate and clear financial accounts. The Council employs a firm of professional accountants to carry out internal audit checks. The Councils accounts are audited annually by an external auditor. |
| **VAT** | Reclaiming / charging | **L** | The Parish Council Financial Regulations set out the requirements. The accounts software provides an automatic record which can be submitted for the VAT refund annually or more often if required. Typically a VAT reclaim is undertaken 3-4 times per year. |

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| **Freedom of Information Act** | Policy Provision | L | Substantial requests may require many hours of additional work. This will be addressed if and when necessary, with third party assistance potentially being necessary. The Council is able to request a reasonable fee should costs be incurred. |
| **Data protection GDPR** | Policy Provision | M/L | The Parish Council is registered under the Data Protection Act. GDPR Legislation is now in force to which the Council must adhere. All Councillors have received guidance on using and storage of personal information. A Data Protection Officer has been appointed by the Parish Council and policies and notices are regularly reviewed. |
| **Assets** | Loss or Damage<br>Risk/damage to third party property<br>Depreciation<br>Insurance | M/L | The Parish Council has completed a review of its asset register, which will be updated as and when assets are acquired and otherwise reviewed annually. The whereabouts of Deeds and licenses are listed. Limited items of equipment and machinery are owned by the Council and those which are business critical can easily and quickly be replaced if necessary. Data is held in the Cloud so impact of damage / loss / theft of computer equipment will have limited impact. Replacement of obsolete assets is considered as part of annual budgeting.<br>Insurance values are used to determine Property/item values and insurance maintained based on these valuations. |
| **Insurance** | Adequacy of cover<br>Insurer<br>Cost | L | Comprehensive insurance is in place covering all standard risks including public and councillors' liability cover. Full review of insurance requirements considered as and when policy is renewed or when changes to the asset list are made, with input from third party broker where needed. Market testing and consideration of identity of insurer to be done by Finance Committee as and when policy is renewed. |
| **Minutes** | Accuracy and legality | L | Minutes and Agendas are produced in the prescribed method by the |

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| **Agendas**<br>**Notices Statutory Documents** | Business conduct | | Clerk and adhere to the legal requirements. Minutes are approved and signed in the correct meeting cycle. Agendas and Minutes are displayed as per the legal requirements. |
| **Litigation** | Potential risk of legal action being taken against the Council | M | General procedures and controls are designed to reduce the risk of litigation. Public liability insurance covers general personal injury claims where the Parish Council is found to be at fault (subject to standard carve outs for spurious or frivolous claims which cannot be insured against). Procedures for insurance renewal are set out above. |
| **Income Collection** | Ensuring collection of any income to which the Council is entitled (for example from use of Council property) | M/L | Clerk produces relevant hire/tenancy agreements using standard terms and conditions or as required after Committee agreement. Charges are invoiced at the appropriate time by Council Officers following the correct Audit trail. Income received is reported via the cost centre cashbook reports. |
| **Council paper records**<br><br>**Electronic records and programmes** | Loss through Theft/ Fire/ Damage/ Computer corruption or hacking | M/L | All Computer systems have virus protections and operating systems are regularly updated to ensure coverage by Microsoft anti-virus software. All data is held in the Cloud with the server located in the UK. "Paper only" records to be kept to a minimum. |
| **Members interests** | Conflict of interest<br>Register of Members interests not being updated | L | Members take responsibility to check and update their Register entries to ensure compliance. The Clerk requests confirmation that no details have changed annually and informs the Monitoring Officer. |

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| **Payroll** | Incorrect payment made | L | Spreadsheet set up to auto calculate net pay |

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| Wrong payable salary calculated | | | Salary sheet produced by Clerk and checked by RFO when submitting payments into accounts payable |
| | | L | Salary set up using information in contract. KALC pay increase schedules and increases agreed at appraisal |
| Wrong tax and NI calculated | Incorrect payment made to HMRC | L | Using HMRC payment tool to calculate.<br>Printout from HMRC tool checked by Councillors responsible for authorising payments. |
| Wrong Pension calculation | Incorrect Pension contribution paid | L | Using SMART pension calculation tool Printout from Smart Pension checked by Councillors responsible for authorising payments |
| Error in Spreadsheet calculating salary payment | Incorrect Pension contribution paid | L | Spreadsheet formula verified. |
| Sick Pay calculated incorrectly | Incorrect payment made | L | Payments checked against contracts to ensure correct payment calculated |
| Insufficient funds to cover additional salaries due to sickness | Impact on reserves | L | Sick pay payments capped in employee contracts. |