Reedham Parish Council

Financial Risk Assessment

For Year ending 31 March 2026

Introduction

The Accounts and Audit Regulations 2015 require local councils to have effective arrangements for managing risk, and proper practices expect councils to review these risks annually. The Parish Council is expected to identify any actions it considers necessary to minimise those risks.

The following table, prepared by the Clerk for 2025-26, attempts to identify the risks involved and recommends the necessary actions. Possible Parish Council actions are shown in Bold/italics:

The current insurer is Ecclesiastical Insurance Office plc through Clear Council formally known as BHIB Insurance Brokers. The policy renewal date is 1 June 2026.

Financial Area	Risk	Recommendation
Insurance	Public Liability (statutory)	Cover £10m for any one event
Insurance	Employers Liability (statutory)	Cover £10m for any one occurrence,
Insurance	Libel and Slander by Councillor or Clerk	Insured
Insurance	Officials Indemnity	Cover is £500,000
Insurance	Money	Money in transit £5,000, money on premises in safe during business hours £5,000, money in employees or Council members residence in safe £1,500, money in employees or Council members residence out of a safe £500, non-negotiable money £250,000.
Insurance	Fidelity Guarantee	All Members and Employees £100,000 – Monitor amount of bank account and reserves held and maintain sufficient cover amount of reserve each year.
Insurance	Personal Accident	Death £100,000, loss of limb, hearing, sight or speech £100,000, permanent disablement £100,000, temporary total disablement £200 per week for 2 years, temporary partial disablement £100 per week maximum of 2 years.
Insurance		
Insurance	Legal Expenses	£250,000 for any one event, Employee Compensation Aggregate limit £250,000 for the period of cover
Insurance	Property	Not applicable
Insurance	Cover not maintained as required	Continue to review annually
Insurance	Loss of revenue No claims bonus Business interruption	£10,000 12 months indemnity period not covered Increase cost of working £10,000 12 months indemnity period

Financial Area	Risk	Recommendation
Payroll	Loss of data on PC due to system fault	Back up data on monthly basis Continue to use HM Customs and Revenue software (free) Continue to regularly obtain up to date versions at each budget and tax year
Payroll	Loss of services of Parish Clerk or casual staff	Immediately advertise any vacancy (if permanent loss) and request help from remaining employees/councillors to cover temporary loss
Administration	Payment arrangements	Continue with requirement to report all payments to Parish Council for approval Invoices presented for payment are checked by a member of the Council. Requirement for the Chairman to sign the Payment Schedule. Record on Minutes the amount on payments schedule. Previous month's payments are checked against the schedule and bank statement and initialled by member.
Administration	Reconciliation	At least a quarterly bank reconciliation reported to full Council.
Administration	Agency advice	Continue with memberships of Norfolk Association of Local Councils (NALC – Norfolk ALC) Review the possibility annually of membership of NPTS, SLCC and CAN.
Play Areas	Loss of use of play equipment	Continue with regular maintenance and play area safety checks and take unsafe equipment out of service until repairs are carried out.
Precept	Annual precept not the result of proper detailed consideration	Continue to commence preparation of budget in October of each year Continue to present budget for Parish Council approval by no later than December each year.
Precept	Inadequate monitoring of performance	Continue with quarterly budget monitoring report and other reports provided by RFO
Precept	Illegal expenditure	Continue to ensure that all expenditure is within legal powers. Review and refer to adopted Financial Regulations and Standing Orders

Financial Area	Risk	Recommendation
Accounting	Non-standard and/or non-compliant records kept	Continue to require adequate, complete and statutory financial records and accounts
Accounting	Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns	Continue to ensure that all accounts and returns are completed and submitted by the deadlines
Accounting	Non-compliance with internal audit requirements	Continue to appoint internal auditor to audit accounts annually prior to external audit.
Section 137 items	Overspend and incorrect monitoring	Continue to clearly identify S137 amounts separately in minutes and in cash book.
Contracts	Ensure continued value for money coupled with continuity of work	Approve the practice of seeking tenders for over £25,000. Advertising in local press and issuing specifications and tender documents to contractors expressing an interest Tenders to be opened in the presence of at least one Member and Clerk and reported to next available Council meeting. Tenders to be discussed in closed session. **Seek to obtain 3** quotes for large expenditure generally
Banking	On-line banking fraud, scams etc	Continue to make use of recognised internet protection software and security procedures. Install updates at all times when prompted.

Agreed by Reedham Parish Council at the Parish Council Meeting held on: …………………… 12th January 2026…………………………………

Signed:……… …………………………………………… Chairman of Reedham Parish Council

Next Review Date: June 2026

Prepared by Stephanie Shackleton
January 2026