



Financial/Management Risk Assessment.v4

Adopted	Jan 2021
Review Date	June 2021
Agenda Reference	21/017/FPC

The risk management procedures, as documented below, were confirmed to be in practice by the Internal Auditor on

Note: Risk assessment must be reviewed and adopted by council/meeting/board/body annually during the financial year and before 31 March.

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff action
Precept	Not submitted	L	Full Minute to sign off of precept demand– RFO follow up	Diary - January NMPC Meeting
	Not paid by DC	L	Confirm receipt	Diary- April
	Adequacy of precept	H	Precept demand in line with proposed/agreed Budget Monthly review of budget to actual	Diary Monthly
Other Income	Cash handling	L	Cash handling is avoided, but where necessary – appropriate Controls are in place	Annual review of documented controls
	Cash banking	L	Segregate duties. Check to bank statements. Regular bank reconciliations Clerk to create payments via online banking 2x Councillors (normally Chair and Vice Chair of Finance) to check payments to monthly schedule and release payments from bank account	Member to verify reconciliations taking place Bank reconciliation to be signed by Chairman at monthly meetings. Covid restrictions have meant that all checks undertaken by email to be signed at a later date. Quarterly alternate Cllr to sign off as per fin regs
Grants	Claims procedure	M	Clerk/RFO check as required	Diary January to check concurrent services Grant in line with Precept demand
	Receipt of grant when due	M	Clerk/RFO check as required	Diary April
Investment Income	Receipt when due	L	Clerk/RFO check as required	Diary dependent on investment Currently Monthly Investment. a/c
	Surplus funds	L	Review levels and Reserves policy annually	Diary May following year end. Reserves policy created

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Salaries	Wrong salary/hours/rate paid	M	Check salary to minutes, check hours and rate to contract	RFO to check Paybureau calculations Chairman to sign schedule evidencing deductions. March Annually RFO to check rates for payment and add to Agenda for approval following pay scale national awards and autumn review of salaries.
	Wrong deductions – NI and Income tax	M	Check to PAYE Calculations	RFO to check Paybureau Calculations RFO to check March annually to ensure correct deduction rates being used. Chairman to sign schedule evidencing deductions. RFO to obtain PAYE log in

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Salaries	Wrong deductions – Pensions	M	Check to Pension Calculations	RFO to check Paybureau Calculations RFO to check March annually to ensure correct deduction rates being used. Chairman to sign schedule evidencing deductions. LG221 to be completed and submitted by 19th monthly Chairman to sign LG221 with monthly Finance Schedule Annual pension return submitted to LGPS flags any discrepancies.
Direct Costs and overhead expenses	Goods not supplied to Council	M	Follow up on all orders	Approval minuted/check invoice and receipt to minutes.
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and perform bank reconciliations on monthly basis Follow accounting procedures	Invoices to be checked to monthly schedule and signed by Chairman. All approved invoices to have initials of Clerk and 2 additional Councillor’s prior to payment. Agenda item number to be placed on all approved invoices.
	Cheque payable is excessive or to wrong party	M	Signatory initials Stub & Voucher 3 signatories on all cheques.	Approval check
	Excessive Claim for cost of home office	L	Same value as used by previous Clerk with an annual increase in line with inflation.	Overseen by Chairman Payments approved by 2 Councillors on schedule

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Grants & support	No power to pay or no evidence of agreement of Council to pay	M	Minute council agreement with the power used to authorize payment Approval to be given at Council meeting Grant and Donation Policy in place If council applying for grants criteria to be met, verified and progress monitored.	Member verify – ensure all awards are minuted. Place minute number on monthly schedule to tie in payments/approval. Clerk action
	Conditions agreed	L	Agree and document any reasonable conditions	RFO check
Election Costs	Invoice at agreed rate	L	RFO check and consider budget	RFO verify – seek estimates from DBC prior to Budget preparation.
VAT	VAT analysis	M	All items in cash book lists	RFO verify
	Charged on sales	M	Consider quarterly	RFO verify
	Charged on purchases	L	Consider all items per cash book lists/monthly schedule and bank reconciliation.	RFO verify
	Claimed within time limits	M	Agree returns submitted HMRC email reminder service used.	RFO verify – ¼ly return to be actioned. Chairman to sign ¼ly return once actioned. Chairman to verify total on return to bank payment being sent.
Reserves – General	Adequacy	L	Consider at Budget setting	RFO opinion. 3 year plan Reserves policy in place (adopted 9/12/19) review annually

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Reserves – Earmarked	Adequacy	L	Consider at Budget and review of final accounts	RFO opinion See above Annual Review with 3yr plan. Council to consider project expenditure and any ongoing maintenance before committing.
	Unidentified Earmarked or Contingent liability	L	Review minutes	RFO/member view See reserve policy. Council to consider project expenditure and any ongoing maintenance before committing.
Assets	Loss, Damage etc	M	Annual inspection, update insurance and asset registers	Diary – April annually for review pre audit. To be updated as soon as new equipment purchased
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Diary – March Annually Came & Co 2020 06/20 Just renewed for 2020 on a 3 yr plan.
Staff	Loss of key personnel (Clerk)	L	Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate	RFO/member view Chairman of Personnel Committee to monitor.
	Clerk WFH risks Clerk safety in unlocking hall	M	Workplace risk assessment undertaken upon appointment Councillors to assist so no lone opening of hall.	Chairman actioned
	Warden risk of injury Manual handling Hazardous items	H	Risk Assessment for Warden Direct warden to HSE website for guidance re manual handling	Signed Annual review

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Fraud	Fraud by staff	L	Fidelity Guarantee value appropriately set Current; Legal £500,000 Internet & Email £500,000 Employee dishonesty £200,000 Monthly sign off of bank reconciliation by Chair of Finance Safe banking arrangements (see detail above under other income)	Council to review annually March Came & Co Exp 31/5/2021 Renewal with Came and Co for 2020 on a 3 yr plan.
Loss/Injury	Consequential loss due to critical damage or third party performance	L	Review adequacy of Insurance cover	Review March (2020 Came & Co) Relevant risk assessments adopted for events
Maintenance	Reduced value of assets or amenities – loss of income or performance	M	Quarterly inspection schedule with external provider	Diary September to liaise with Warden
	Injury due to damaged equipment/hazardous waste.	M	Quarterly inspection schedule with external provider Warden conducts daily checks of Parish Cover by Parish Insurance	Weekly reports to Clerk See above (Came& Co) Play Equip Risk Assessment

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Legal Powers	Illegal activity or payment Fraud	H	Educate Council as to their legal powers	<p>Jan 2020 review standing orders</p> <p>Dec 2020 review Financial regulations</p> <p>May update delegation of powers once new Councillors in place.</p> <p>All of the above are on a regular review schedule</p> <p>Offer training to new Councillor's</p> <p>HAPTC service/FAQ/Advice</p> <p>Annual schedule of policy and procedure review.</p>
Financial Records	<p>Inadequate records Fraud</p> <p>Loss of computerised records</p> <p>Maintenance of cashbook Lack of skill in systems</p>	<p>L</p> <p>M</p> <p>M</p>	<p>RFO/clerk check regularly + internal audit review</p> <p>Monthly sign off by Chair of Finance</p> <p>Back up to cloud storage</p> <p>Excel spreadsheet</p> <p>Training for RFO</p>	<p>Jan review financial risk asses</p> <p>June review fin risk asses and regs</p> <p>April Internal Audit</p> <p>June external audit</p> <p>RFO to action</p> <p>Monthly sign off from chairman on all inc/exp and returns</p> <p>Regular attendance on relevant training courses</p> <p>RFO</p> <p>Full Council</p> <p>Annual Review of internal controls procedures</p> <p>Dec review fin regs</p>

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Minutes	Accurate and legal	L	Review at following meeting	Agenda item at each meeting Signed copy to be held on file subject to covid restrictions. Retention in line with recommended (Permanent) Ongoing training

Data	Accurate/Legal/Stored Securely	M	IT backed up to secure storage (cloud back up) All paperwork stored in a locked filing cabinet GDPR training undertaken Data controller registration (ZA 105644)	Review Feb Annually New IT package with regular cloud back up purchased. Ongoing training ICO cover in place Annual March
	GDPR Breach Theft of personal data	M	Ongoing assessment of all documentation/website/communication Adopted SLCC policies	Ongoing training Banner in place on website advising of privacy and cookie policy. Log of any breaches.
Members interests	Conflict of interest	M	Declarations of interest to be documented/minuted and any conflict /addressed as appropriate	Agenda item at each meeting. Care during election years that correct registration paperwork completed. Review May Annually
	Legal/Statutory Support for Clerk & Councillor's lapses	L	Subscriptions to HAPTC/SLCC/ICO	Review Ongoing Ensure subscriptions remitted upon approval of invoice SLCC/HAPTC Dec Annually ICO March Annually