



## **Duston Parish Council Financial Risk Assessment 2019/2020**

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any and all potential inherent risks. The Parish Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. This document has been produced to enable Duston Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

Key –

High Risk

Medium Risk

Low Risk

### FINANCIAL AND MANAGEMENT

Subject	Risk(s) indentified	H/M/L	Management/control of Risk	Review/Assess/Revise
Precept	Adequacy of precept in order for the Council to carry out its Statutory duties	Low	To determine the precept amount required, the Council receives budget update information monthly. At the budget meeting Council receives a budget report, including actual position and projected position to the end of year	Existing procedure adequate.

			and indicative figures or costings obtained by the Clerk. With this information the Council determines 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 demanded from Northampton Borough Council.	
Financial Records	Inadequate records Financial irregularities	Low Low	The Council has Financial Regulations which sets out the requirements.	Records are maintained for all transactions and financial regulations reviewed as necessary
Loss of Clerk/RFO	Inability to process transactions	Low	Council retain the services of an external accountant as well as a Deputy Clerk and Assistant Clerk who are able to undertake all tasks in the event of the loss of a Clerk/RFO.	Existing procedure adequate
Bank and banking	Inadequate checks Banks mistakes	Low Low	The Council has Financial Regulations which set out banking requirements including electronic banking procedures  Monthly report packs including bank reconciliation & payments are presented to the Finance & General Purposes	Existing procedure adequate Existing procedure adequate

		Low	Committee each month for sign off. Quarterly Bank Statement reconciliation checked by Councillors.	
Reporting and auditing (internal and external)	Information communication	Low	Up to date Budget Analysis is provided to each meeting of the Finance Committee. Copies of all bank statements are reviewed by the Clerk when received and checked quarterly by the Internal Controls Councillor.	Existing procedures adequate.
		Low	External Auditor appointed nationally – new auditor in place this year; training will be undertaken by Clerk/RFO to ensure up to date knowledge	
		Low	Internal Auditor appointment, scope and effectiveness reviewed annually by Council. Scope of audit extended this year to ensure robust internal controls and additional intermediate audit arranged.	
Grants	Receipt of grant	Low	Parish Council does not presently receive any regular grants but has been the recipient of ad-hoc grant funding for specific projects and Special Expenses from Northampton Borough Council.	Procedure to be formed, if required

Charges-rents receivable	Payment of rents	Low	Parish Council has formal and legally binding lease agreements in place with all tenants	Procedure recently revised
Grants and support payable	Power to pay Authorisation of Council to pay	Low	All such expenditure goes through the required Council process of approval, minuted and listed on accounts payable schedule.	Existing procedure adequate.
Best value accountability	Work awarded incorrectly	Low	Normal Parish Council practice is to seek 3 quotations for any substantial work to be undertaken. For major work competitive tenders will be sought to achieve best value for money. If problems are encountered with a contract the Clerk will investigate the situation and report to the Council.	Existing procedure adequate. Include when reviewing Financial regulations.
	Overspend on services	Medium	When Commissioning services or goods the Clerk and any delegated staff must comply with the relevant sections of the authorities Financial Regulations, which are based on NALC model document and reviewed regularly  External events from changes in policies from Government, Borough Council, County Council and Local Government	

			Reorganisation	
Salaries and assoc. costs	Salary paid incorrectly.  Unpaid Tax to HMRC	Low  Low	Payroll services outsourced, and all taxation liabilities are paid through them. Clerk checks to ensure payment of tax is made and that Salaries and pensions are correct.	Existing procedure adequate
Employees	Fraud by staff  Health and safety	Low  Low	Requirements of Fidelity Guarantee insurance adhered to with regards to fraud.  All employees are provided adequate direction and safety equipment needed to undertake their roles and budgets made available for staff to undertake relevant training as required.	Existing procedures adequate.  Monitor health and safety requirements and insurance annually.
VAT	Reclaiming/charging	Low	VAT is reclaimed annually. This is outsourced to the Councils accountant and checked by the Clerk/RFO.	Existing procedures adequate
Year End accounts and Annual Governance Statement	Approve year end accounts and submit annual governance statement within statutory time limits	Low  Low	Year End account and Annual Governance Statement is completed and submitted online within the prescribed time frame by the Clerk.  Annual Governance Statement completed and signed by the Council,	Existing procedures adequate.

		Low	submitted to internal auditor for completion and signing then checked and sent to External Auditor within time frame.  All Prepared with the Authorities accountant to provide additional level of oversight.	
Reserves	Inadequate level of reserves	Low	Council retains sufficient earmarked and general reserves in excess of current CIPFA recommendations.	Existing procedures adequate
Treasury Management	Not achieving best returns on investments, risk of loss of investments	Low	Council adopts a Treasury Management Policy annually.	Existing procedures are adequate but under constant review
Legal Powers	Illegal activity or payments	Low	Council currently has General Power of Competence. All activity and payments within the powers of the Parish Council to be resolved at full Council Meetings.	Existing procedures adequate
Minutes/agendas/ Notices Statutory Documents`	Accuracy and legality	Low	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting.	Existing procedures adequate.
	Business conduct	Low	Agenda displayed according to legal requirements. Business conducted at Council meetings	Members adhere to Code of Conduct and Standing Orders.

			should be managed by the Chair.	
Members interests	Conflict of interests	Low	Declarations of interest by members at Council meetings.	Existing procedures adequate.
	Register of members interests	Medium	Register of members interests' forms reviewed regularly.	Members are responsible for updating entries on their own registers.
Insurance	Adequacy, Cost, Compliance	Low	An annual review is undertaken of all insurance arrangements. Employers and Employee liabilities are necessary and within policies. Ensure compliance measures are in place.	Existing procedure adequate. Insurance reviewed annually.
	Fidelity Guarantee	Medium	Fidelity checks in place.	
Data protection	Policy provision	Low	The Parish Council is registered with the Information Commissioners Office. GDPR review conducted in 2018. DPC does not hold significant quantities of personal information.	Ensure annual renewal of registration. GDPR arrangements reviewed in 2018.
Freedom of Information	Policy Provision	Low	The Council has a Model Publication scheme in place.	Monitor any requests made under FOI.

