



Duston Parish Council Financial Risk Assessment 2020/2021

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.

			<p>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.</p> <p>This information has been received and processed by the RFO for 2020/21</p>	
Financial Records	<p>Inadequate records</p> <p>Financial irregularities</p>	<p>Low</p> <p>Low</p>	<p>The Council has Financial Regulations which sets out the requirements. Council has adopted NALC model Financial Regulations which are reviewed and updated by Council as required. Council receive details of all payments made by the Council on a monthly basis, and an Internal Controls Councillor is appointed by Council to check and verify all transactions and report back quarterly.</p>	<p>Records are maintained for all transactions and financial regulations reviewed as necessary. Arrangements have been checked by DPC's auditors.</p>
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	Existing procedure adequate

			to undertake all tasks in the event of the loss of a Clerk/RFO.	
Bank and banking	Inadequate checks Banks mistakes	Low	The Council has Financial Regulations which set out banking requirements including electronic banking procedures	Existing procedure adequate
		Low	Monthly report packs including bank reconciliation & payments are presented to Full Council each month for sign off.	Existing procedure adequate
		Low	Bank Statements are presented to Full Council at every meeting for reconciliation checks.	Existing procedure adequate
Reporting and auditing (internal and external)	Information communication	Low	Up to date Budget Analysis is provided to each meeting of Full Council. Copies of all bank statements are reviewed by the RFO when received and checked quarterly by the Internal Controls Councillor and then reported to Full Council. Signatories also have continued access to bank statements via online banking.	Existing procedures adequate.
		Low	External Auditor appointed nationally.	
		Low	Internal Auditor appointment, scope and effectiveness reviewed annually by	

			Council. Scope of audit extended in 2019/20 to ensure more robust internal controls and additional intermediate internal audits 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. Delegated powers are also specified in the council's Standing Orders.	Existing procedure adequate.
Best value accountability	Work awarded incorrectly	Low	Parish Council practice is to seek three quotations for any substantial work to be undertaken where practical. For major work competitive tenders will be sought to achieve best value for money, as detailed in the council's Financial Regulations. If problems are	Existing procedure adequate.

	Overspend on services	<p>Low</p> <p>Medium</p>	<p>encountered with a contract the Clerk will investigate the situation and report to the Council.</p> <p>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</p> <p>External events from changes in policies from Government, Borough Council, County Council and Local Government Reorganisation are potential factors that could lead to overspend. Council pays NALC to monitor and provide advice to mitigate this risk, contracts are periodically reviewed and contingencies are built into the annual budget where necessary (eg national pay award or contracts that are due for renewal).</p>	
Salaries and assoc. costs	Salary paid incorrectly.	Low	Payroll services outsourced, and all taxation liabilities are paid through them. Checks are final sign off made by RFO.	Existing procedure adequate
	Unpaid Tax to HMRC	Low	RFO checks to ensure payment of tax is made and that Salaries and pensions are correct.	Existing procedure adequate

Employees	Fraud by staff	Low	Requirements of Fidelity Guarantee insurance adhered to with regards to fraud. Relevant check are made of new staff and references obtained.	Existing procedures adequate.
	Health and safety	Low	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. Additional funds have been invested during 2019/20 in staff training.	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	Year End account and Annual Governance Statement is completed and submitted online within the prescribed time frame by the Clerk.	Existing procedures adequate.
		Low	Annual Governance Statement completed and signed by the Council, submitted to internal auditor for completion and signing then checked and sent to External Auditor within statutory requirements and required time frame.	

		Low	All Prepared with the council's 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 by Full Council or through appropriately delegated powers.	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 Full Council meeting. Agendas displayed according to legal requirements.	Existing procedures adequate.
	Business conduct	Low	Business conducted at Council meetings should be managed by the Chair in line with the council's code of conduct and Standing Orders.	Members adhere to Code of Conduct and Standing Orders.

Members interests	Conflict of interests	Low	Declarations of interest made 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 and amended in year as required.
	Fidelity Guarantee	Medium	Fidelity checks in place (see "Fraud by Staff")	
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, no significant changes to data DPC holds since then.
Freedom of Information	Policy Provision	Low	The Council has a Model Publication scheme in place and adheres to the statutory requirements of the Freedom of Information Act.	Monitor any requests made under FOI.

