



Financial & Management Risk Assessment V11

Adopted	June 2024
Agenda Reference	24/035/FPC
Review Date	6m (Jan 25)

Introduction

Risk assessment must be in place as part of NMPC internal controls. The Financial and Management Risk assessment must be reviewed and adopted by council at least annually. Assessing risk is an essential action to enable council to propose a positive assertion when signing the Annual Governance Statement (*Assertion 5 — Risk management*)¹

Assertion 5 — Risk management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

In order to warrant a positive response to this assertion, the authority needs to have the following arrangements in place:

1.31 Identifying and assessing risks — The authority needs to identify, assess, and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.

1.32 Addressing risks — Having identified, assessed, and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

¹ JPAG -Joint Panel on Accountability and Governance 'Practitioners Guide' 2023.

May 2023 NMPC appointed a Cllr responsible for internal controls who will ensure that the practices contained within this document are embedded in the procedures used by NMPC. This Cllr will have no access to the bank accounts to evidence an independent level of scrutiny.

Risk Area	Description of risk	Risk Level	Management of risk	Staff/Cllr Actions
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 lead Cllr finance) to check payments to monthly schedule and invoices and release payments from bank account	Member to verify reconciliations taking place Bank reconciliation to be checked by lead Cllr finance and then signed by Chairman at monthly meetings. Quarterly an alternate Cllr to sign off as per fin regs-this is the duty of the Cllr designated as Cllr for Internal Controls.

Risk Area	Description of risk	Risk Level	Management of risk	Staff/Cllr Actions
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 various Investment. a/cs held See Investment strategy June 2024
	Surplus funds	L	Review levels and Reserves policy annually	Diary May following year end. Or review prior to new projects/as part of project planning Reserves policy created

Risk Area	Description of risk	Risk Level	Management of risk	Staff/Cllr Actions
Salaries	Wrong salary/hours/rate paid	M	Check salary to minutes, check hours and rate to contract	<p>RFO to check Paybureau calculations. Chairman or lead Cllr finance to sign schedule evidencing deductions.</p> <p>March Annually RFO to check rates for payment and notify Chairman Personnel and if necessary, add to agenda for approval following pay scale national awards and autumn review of salaries. Chairman personnel to be copied into any salary amendments communicated to payroll provider.</p> <p>Quarterly checks by Cllr for Internal Controls.</p>

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 has obtained PAYE log in to check submissions are being made. Quarterly checks by Cllr for Internal Controls.
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Risk Area	Description of risk	Risk Level	Management of risk	Staff/Clr Actions
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 lead Clr finance and 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. Quarterly checks by Clr for Internal Controls.
	Cheque payable is excessive or to wrong party	M	Signatory initials Stub & Voucher 3 signatories on all cheques.	Approval check-cheques not routinely used.
	Excessive Claim for cost of home office	L	Same value as used by previous Clerk was Incr April 2022	Overseen by Chairman Amends reviewed with salaries. Payments approved by 2 Councillors on schedule
Expenses Fraud or misuse of NMPC Debit Card.	Own card only to be used in exceptional circumstances. NMPC debit card should be used as primary card.	L	Completed expenses form and all receipts to be submitted for scrutiny prior to expenses being paid. All use on NMPC debit card to be in line with usual limits for delegated expenditure within financial regulations.	Any expenses or use of NMPC debit card to be reported on the payment schedule at the next scheduled council meeting.
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. GPC now attained. Place minute number on monthly schedule to tie in payments/approval. Clerk action Review at annual meeting if compliance with GPC is still attained. (not strictly needed every year but required in an election year)

Risk Area	Description of risk	Risk Level	Management of risk	Staff/Cllr Actions
	Conditions agreed	L	Agree and document any reasonable conditions	RFO check
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. Lead Cllr Finance and Chairman emailed once return submitted with copy of return RFO shows credit on bank reconciliation and checks amount tallies to return submitted. Chairman to sign quarterly return.
Reserves – General	Adequacy	L	Consider at Budget setting	RFO opinion. 3-year plan Reserves policy in place (adopted 9/12/19) review annually
Reserves – Earmarked	Adequacy	L	Consider at Budget and review of final accounts	RFO opinion See above Annual Review with 4yr plan. Council to consider project expenditure and any ongoing maintenance before committing. Council to ensure that savings income is maximised without compromising fund security by using savings accounts where appropriate. Council must also ensure that funds are not tied up for too long to enable access should they be needed. Investment strategy held (reviewed June 2024)

Risk Area	Description of risk	Risk Level	Management of risk	Staff/Clr Actions
	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 desktop review pre audit. To be updated as soon as new equipment purchased Summer annual review with warden. June 23 IA suggested adding a photographic record.
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Diary – March Annually June 2023 renewed with BHIB on a 3 year LTU
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. Regular appraisals Council to consider clerk workload/availability before committing to new projects.
Clerk WFH risks Clerk safety in unlocking hall	Workplace risk assessment undertaken upon appointment	M	Chairman actioned	Councillors to assist so no lone opening or locking up of hall.

Risk Area	Description of risk	Risk Level	Management of risk	Staff/Cllr Actions
Warden risk of injury Manual handling Hazardous items	Risk Assessment for Warden Direct warden to HSE website for guidance re manual handling	H	Risk Assessment in place Annual review Direct warden to HSE website for guidance re manual handling	Reviews annually.
Reputational Risks	Activities unsafe Long term planning not suitable	H	Action plan to be reviewed annually. Risk assessments to be created for each new activity as and when required Full assessment should be taken prior to new projects being undertaken, including financial assessment of ongoing maintenance/costs.	Clerk/Cllrs to action.
FOI Requests/Data protection	Data must be kept safe in line with procedures outlined in the Practitioners Guide 2023	H	Policies in place All Cllrs to have new .gov.uk email addresses that keeps them secure for FOI and SAR purposes. NMPC have membership of the ICO	Clerk/WG to action New Cllr email addresses now in place. Ensure Cllr safe use of data forms are reviewed annually and completed post elections. Ensure GDPR data audit is undertaken annually Magazine advertisers/contributors to complete data consent forms -to be reviewed periodically. (Diary Note Sept annually) Create new Cllr folder each term of office and archive old folders or delete as appropriate.

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 playpark inspection schedule with external provider Warden conducts daily checks of Parish Assets and written records kept	Weekly reports to Clerk Play Equip Risk Assessment
Risk Area	Description of risk	Risk Level	Management of risk	Staff/Clr Actions

<p>Legal Powers</p>	<p>Illegal activity or payment Fraud</p>	<p>H</p>	<p>Educate Council as to their legal powers</p>	<p>Jan/May annually review standing orders June/Dec annually review financial regulations May update delegation of powers once new Councillors in place. All of the above are on a regular review schedule Offer training to new Councillor's Maintain clerks CPD with adequate training budget HAPTC service/FAQ/Advice Annual schedule of policy and procedure review.</p>
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<p>Financial Records</p>	<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 M</p>	<p>RFO/clerk check regularly + internal audit review Monthly sign off by Chair and lead Cllr Finance</p> <p>Back up to cloud storage</p> <p>Rialtas Accounting Software used.</p> <p>Training for RFO</p>	<p>Jan review financial risk asses June review fin risk asses and regs April Internal Audit June external audit RFO to action Monthly sign off from chairman on all inc/exp and returns Regular attendance on relevant training courses RFO Full Council Annual Review of internal controls procedures Dec review fin regs</p>
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Risk Area	Description of risk	Risk Level	Management of risk	Staff/Cllr Actions
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 Historic minutes moved to county archive August 2023
Data	Accurate/Legal/Stored Securely	M	IT backed up to secure storage (cloud back up) Password and 2-bit authentication protection. Firewall and anti-virus software kept up to date Password locker used (not for banking apps) All paperwork stored in a locked filing cabinet GDPR training undertaken (Clerk Aug 2022) Data controller registration (ZA 105644) Annual data audit Parish magazine-Data consent held Councillors-safe use of data consent held. Appropriate measures taken to secure their own devices.	Review Feb Annually New IT package with regular cloud back up purchased. Ongoing training ICO cover in place Annual March Ensure GDPR data audit is undertaken annually Magazine advertisers/contributors to complete data consent forms -to be reviewed periodically. (Diary Note Sept annually) Create new Cllr folder each term of office and archive old folders or delete as appropriate. Clerk to provide Chairman with laptop password secured in an envelope and only to be opened under dual control. 2 factor authentication to be considered by council July 2024

	GDPR Breach Theft of personal data	M	Ongoing assessment of all documentation/website/communication Adopted SLCC policies Councillors-safe use of data consent held. Appropriate measures taken to secure their own devices.	Ongoing training Banner in place on website advising of privacy and cookie policy. Log of any breaches. Ensure Cllr safe use of data forms are reviewed annually and completed post elections. Jan 2023 domain registered for Govt security monitoring support@domains.gov.uk new Cllr email addresses in place for new council term.
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