

Thornton-Le-dale Parish Council Financial Risk Assessment Working Document

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate Precept	L	To determine the precept required, the Clerk/RFO examines the current financial year's accounts together with the projected year-end accounts, and considers all expenditure and income required for the next financial year, as well as the Ear Marked Reserves, then presents this to Council to enable Council to make an informed decision and subsequent approval of such. The public are then notified of this via a meeting Agenda and invited to attend the next full Council meeting, at which Council agree and approve the Precept amount. The Clerk then submits the Precept form to North Yorkshire Council (NYC) for processing and payment before the end of the calendar year. The Clerk/RFO checks the bank account in April and again in September, to ensure the requested half-yearly precept payments have been made by NYC. If a payment has not been received, the Clerk would then contact NYC and request payment be made by return.	The procedures in place are adequate and are reviewed annually and/or in line with NALC recommendations
	Precept not paid by Local Authority	L		
Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations	L	The Clerk/RFO and Council follow the Financial Regulations as set out by NALC (National Association of Local Councils), which have been revised and adopted by the Parish Council. These are reviewed annually by the Clerk/RFO/Council and/or in line with NALC's recommendations and adopted at the Annual Parish Council Meeting.	Current Financial Regulations are adequate and adopted by Council.
Standing Orders	Not adhering to policy and procedures as set out in the Standing Orders	L	The Clerk/RFO and Council follow the Standing Orders, which have been revised and adopted by the Parish Council. These are reviewed annually by the Clerk/RFO and Council and adopted at the Annual Parish Council Meeting.	Current Standing Orders are adequate and adopted by Council.

Bank Records & Banking	Banking / Financial Errors	L	All items of income and expenditure are cross-referenced against the bank statements and a monthly reconciliation report is generated from the Council's accounting system, Scribe. for approval and authorisation. Both records are examined and authorised monthly by the Internal Financial Controller and noted by Council quarterly. All expenditure and income are advertised via monthly meeting, and year to date expenditure is available for public inspection via the Council's website. All income and expenditure is detailed on Parish Council Monthly Meeting Agendas, and is approved and Minuted at such meetings. . All payment transactions are to be authorised by 2 Councillors, through the Council's online Banking platform. The appropriate controls are in place on this system to ensure transparency, segregation of duties and appropriate controls, which mirror the Councils Financial Regs and Standing Orders	Current procedure adequate.
	Loss through theft and dishonesty	L		Current procedure adequate

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Electronic Payments (BACS)	Payments made without Council approval.	L	All BACS payments are approved by Council prior to the payment being made. If a payment needs to be made outside of the meeting, then approval is to be sought from the Chairman, with the decision and payment ratified at the next available council meeting via the monthly Ratification Statement. Council uses the Virgin and Barclays banking online facility, which automatically requires that payments made from the account must be authorised by a second approver before being released to the payee. The inputter and the approver both check the electronic entry to ensure that it matches the approval list from the meeting. Balances of all Council bank accounts are presented and considered monthly at the Parish Council Meetings for approval.	Reviewed annually, and/or in line with NALC recommendations.
	Incorrect electronic payment or amount made / No monitor on actual electronic entry	M		
Financial/Account Records	Inadequate Records	L	The Clerk/RFO maintains an electronic cashbook on the Scribe system, listing all income, receipts and expenditure. The Clerk/RFO compiles all paperwork relating to monthly income and expenditure in hard copy. Electronic files are saved to the laptop and are automatically backed-up to the cloud. All files are reviewed by the Chairman and Internal Controller annually and also assessed by an Internal Auditor annually before being submitted for external audit.	Reviewed annually.

Investment Account/Income	Loss of funds	L	The account is reviewed monthly and reconciliations are completed for authorisation by the Parish Council Internal Controller. Investment of Council funds will be in accordance with the Investment Strategy/Policy approved by Council.	Review annually.
Grants Awarded to Council	Not receiving grant funding when successfully applied for	L	The Clerk/RFO is to ensure that all grant payments are made to the Council according to the terms of the grant and at the correct time, following up with the individual local authority and/or organisation if they are not.	All reviewed annually.
Grants Awarded by Council	Not following the grant claims procedure	L	The Clerk/RFO ensures the Grants Policy is adhered to and that all qualifying organisations are notified of the claim process annually. The Clerk/RFO also ensures there is a power to pay such grants before presenting the grant application to Council for approval. The Clerk/RFO ensures that all annual grants are budgeted for and a schedule of such payments kept for audit purposes and future budgeting. Payment is made in accordance with the Grants policy. All grant funds received, are held by the Council in their bank accounts, and this is monitored and ring-fenced, and reported on regularly to the Council.	All reviewed annually.
	Grant Payments	L		

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Cash	Loss through theft and dishonesty	L	No petty cash is held by the Clerk/RFO or Council members. Any sundry items are to be purchased by the Clerk/RFO personally and claimed back via expenses against receipts held. Receipts are requested to be Invoiced in the Parish Council name, to ensure appropriate reclaims of VAT are enabled.	N/A Current procedure adequate. Reviewed annually.
Borrowing	Ability to repay any loans	L	The Clerk/RFO ensures that appropriate cash-flow forecasting is completed as and when required, and annually, the Clerk/RFO completes affordability check calculations. A report is presented to Council by the Clerk/RFO before any loans are applied for.	Reviewed as and when finance is required for a particular project not covered by the Precept and at budget time.
Best Value Accountability	Charges made on the Parish Council are too high	L	The Clerk/RFO should obtain at least 3 estimates/quotations for any work undertaken by contractors on behalf of the Parish Council over £500 and for any major projects or contracts, a competitive tendering process would be initiated as set out in the Financial Regulations. All estimates/quotations are then reviewed, agreed and approved by full Council and minuted accordingly.	Current procedure is adequate.

Financial Reporting	Insufficient information	L	The Parish Council appoints an Internal Controller annually to review and authorise all financial records. All income and expenditure are presented at Parish Council meetings on the meeting Agenda, along with the balances of all Parish Council bank accounts. Each quarter, the Clerk/RFO circulates a Financial Report to Council, outlining income and expenditure against budget and highlighting main points in a commentary. All income and expenditure are also entered into the cashbook on Scribe, against the correct cost code, stating the relevant minute reference. The Clerk/RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook. All accounts are available for public inspection.	Current procedure is adequate. The cashbook (budget) is reported on quarterly and reviewed by full council.
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Audits	Annual Audit is not completed within the set deadline. Annual Audit is not advertised	L L	The Clerk/RFO prepares the year end accounts statement and Annual Governance and Accountability Return for the Internal Auditor to review in April. Once the accounts have been returned and any recommendations reported on and observed, Council then approves these at the Annual Meeting in May, along with all audit papers and the Annual Governance and Accountability Return. These are then submitted to the External Auditor for review. The Clerk ensures the annual audit and conclusion of audit notices are displayed on the Council notice board and website for the public to view and exercise their public rights for the prescribed period of time, as advised by the Council's appointed External Auditor.	Current procedure adequate. The Clerk holds a review meeting with the Chairman and Internal Controller before the year-end accounts prior to approval and submission.
Invoices	Goods not supplied but billed. Incorrect Invoicing Unpaid Invoices	L L L	Invoices are only paid after the service or goods have been received to the Council's satisfaction, and only after full Council approval. All requests /orders for goods and services are confirmed in writing by the Clerk/RFO, to agree all costs involved. The Clerk/RFO checks all invoices received for accuracy and ensures all information is entered into the Cashbook. The Parish Council raises very few invoices. Any unpaid and overdue invoices will be followed up by the Clerk as part of month end routines.	Current procedure is adequate. The Cashbook (budget) is reviewed annually by the Clerk/RFO and Internal Controller.

Freedom of Information Act	Non-compliance with the Model Publication Scheme	L	Information and documentation is made available on the Parish Council website, in order to comply with the Model Publication Scheme. Information is also publicised on the Parish noticeboards, with all FOI's dealt with in accordance with the Model Publication Scheme also.	Reviewed annually, therefore current procedure is adequate.
Salaries	Salary and expenses paid incorrectly Incorrect NI & Tax deductions and Pension contributions	L L	Thornton-Le-Dale Parish Council only employs one person, the Clerk. The Clerk presents their expenses monthly, via the meeting Agendas. Full Council approves all presented figures at the monthly meetings, which is recorded in the minutes. To ensure accuracy of salary and tax/NI payments/contributions, a payroll company is employed to undertake all payroll and pension duties/tasks, and this also serves to ensure prompt payment to HMRC. Any overtime hours requested by the Clerk has to have full Council approval prior to commencement, with signed supported documentation by the Chair	Current procedures are adequate.
Data Protection	Non-compliance with Data Protection Legislation	L	Thornton-Le-Dale Parish Council is registered with ICO the UK Data Protection Agency and is governed by their rules. Thornton-Le-Dale Parish Council have also adopted various policies and procedures concerning the 2018 General Data Protection Regulations and employs NYC as its Data Controller.	Reviewed annually, therefore current procedure is adequate. Service is renewed annually.
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Insurance	Inadequate Cover Fidelity Guarantee Public Liability Personal Accident Cost	L L L L	An annual review is undertaken prior to the renewal of the insurance policy. Third party risk is included within the cover, with current (public?) liability set at £12M. The amount is reviewed annually to ensure insurance cover is sufficient for the Parish Council's needs. The Parish Council maintains insurance cover in all areas. All Council members, employees and/or volunteers of the Parish Council are covered under the personal accident plan of the insurance policy. Risk Assessments are undertaken for any major events and the insurance company notified. Three quotations are obtained when it is time to renew insurance cover and are presented to Council for it to decide which to accept. The most recent review concluded that a three-year long-term agreement was the best-value option.	Due to the insurance being reviewed annually and cover updated with any capital items as and when required, the current procedure in place is adequate. Quotations will be obtained annually, in October. In cases where a longer-term agreement is in place, a review of adequacy will still take place annually, however quotations will not be obtained until the last year of the agreement, in November.

Physical Assets	Loss or damage Risk/damage to third party property.	M	An annual review is conducted for insurance, storage and maintenance purposes. An annual review is also conducted for the level of public liability insurance required. The Clerk has emergency powers to deal with urgent maintenance work.	The Asset Register is updated, when necessary, with a full review conducted annually.
Financial Assets	Land Rent not paid or rent income received.	L	The Clerk/RFO is to ensure that all rent income and expenditure, is invoiced and paid in a timely manner and recorded within the budget.	All rent payments and income are reviewed annually.
	Adequacy of Reserves	L		Reviewed annually.
Statutory obligations regarding documents	Accuracy and legality of notices, agendas and Minutes	L	Considered by Council annually at budget setting in November/December and minuted. Minutes produced in the prescribed manner by the Clerk and adhere to legal requirements. Minutes are approved, signed and dated at the next meeting of the Council/committee. Agendas and notices are displayed according to legal requirements.	No action required. Existing procedure adequate.
Members interests	Non-registration of Disclosable Pecuniary interest leading to criminal prosecution	M	Request for all members to declare any interests in business to be considered at all meetings. Registration of interests by members on prescribed form, held locally and also on NYC website for public review. Responsibility of individual member to declare said interests.	No action required. Existing procedure adequate
Electronic & Paper records General Administration	Loss through; theft, fire damage or corruption of computer	M	Parish Council electronic records are stored on the Parish Council Cloud storage, back-ups are made at regular intervals.	No action required. No action required.
	Inability to conduct Council Business due to unforeseen circumstances such as Illness or death of controlling parties	L	Council Business Continuity Plan which includes measures to ensure that the Council can continue to function in a number of situations. All Important/legal/regulatory paper records including those for Burials/Memorials and Exclusive Rights are held in a fire-proof and locked filing cabinet.	Existing procedures adequate

Signed

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