

FINANCIAL RISK ASSESSMENT

Topic	Risk Identified	Risk Level L/M/H	Management of Risk	Action	Frequency
Precept	Inadequate level	L	The RFO manages the budget throughout the year with a minimum of quarterly reviews presented to and approved by full council. The full Council examines the years financial reports and discusses and agrees future expenditure and projects and an informed decision about the level of precept is made.	Quarterly budget reports created by RFO, whole council to review budget and agree precept.	Quarterly and annually.
	Precept not received	L	The RFO completes monthly bank reconciliations and checks the bank account when the precept payment is expected. The RFO will notify council and principal authority (WNC) if the precept is not received	Monthly bank reconciliation and statement checks. The precept is received in two instalments, one in April and one in September.	Bi- annually check for the precept deposit.

Financial Regulations	Not following the adopted financial regulations.	L	Council and RFO to follow adopted Financial Regulations as set out by Ncalc. These have been reviewed and adopted by the whole council annually.	Adopt financial regulations annually	Annually
Standing Orders	Not following the adopted standing orders	L	Council and RFO to follow adopted Standing Orders as set out by Ncalc. These have been reviewed and adopted by the whole council annually.	Adopt standing orders annually	Annually
Banking	Banking errors	L	RFO and Internal Controls Cllr checks all items on the bank statements monthly. Any unexpected items are highlighted and cross checked.	Monthly checks of bank statements against payments and receipts	Monthly
	Loss through theft and dishonesty	L	Financial Regs and Internal Controls procedures in place. • All financial documents are available at every Council meeting • Internal Controls - A nominated Cllr carries out and records formal checks on receipts, invoices, payments and bank reconciliation quarterly • Fidelity Guarantee of at least the value of the precept is in place – £150,000	Dual authorisation payments in place, Internal controls cllr checks done monthly, independent auditor provided by Ncalc	Monthly
	Electronic Payments made without approval	M	Payments made in between meetings have to be agreed by Chairman, Vice Chairman and RFO. The decision to make the payment	To continue with current process.	As and when needed

			will be ratified at the next available meeting.		
	Incorrect amount paid	M	RFO inputs all payments onto the banking system, the authorising Cllr checks the payments against the payment lists. Internal Controls Cllr receives a list of payments which have been submitted to the bank, currently this list is very unclear and could be improved by Unity Bank. The payments are then checked a final time by the RFO during the reconciliation process.	To continue with current process	Monthly.
Financial Records	Inadequate records	L	Receipts & Payments accounts managed by RFO. Regular financial reports produced for full council approval. Internal Auditor appointed by Ncalc and documents submitted to external audit.	To continue with current process	Monthly and annually
Cash & Credit Card	Loss and incorrect Use	L	No petty cash used and no credit card used.	Any change to this will be reflected in revised policies and risk assessment.	As and when needed
Borrowing	Ability to pay back loans	L	RFO produces budget reports that are approved by full council. No borrowing will be undertaken without full council approval.	Continue with current process. No current borrowing.	As and when needed
Audits	Annual audit not completed on time and penalties received	M	RFO prepares year end accounts and completes the audit process. In the event that the RFO is not able to complete the process a	Ensure the Chairman has access to council passwords to enable access to council	As and when needed

			locum Clerk or suitably experienced councillor will have to produce the documents needed.	documents should the need arise	
Assets	Theft / Loss of assets	L	Assets to be covered by comprehensive insurance policy. Asset register reviewed annually by full council. Ensure asset register is updated every time an asset is purchased.	Continue with current process	Annually
Insurance	Inadequate cover	L	Asset register sent to insurance company, insurance policy is comprehensive and provided by industry recognised company.	Continue with current process	Annually
	Legal liability because of asset ownership. Damage to 3rd party property or individuals	L	Asset condition is reviewed annually and documented. Ensure council has comprehensive insurance policy	Improve current process and document review.	Annually
	Risk assessment of events	M	Each event must have its own risk assessments and adequate insurance cover must be confirmed prior to the event. A nominated Councillor in charge of the event or the Event Committee must ensure that all paperwork is submitted and all insurance in place prior to the event.	Event committee to report back to full council and RFO to check insurance and other documents required by principle authority are submitted on time. All risk assessments to be kept with main council records.	Adequate system in place.
	Personal accident to members and staff. Assault to staff	L	Member of staff works from home. No cash in handled or transported. Clerk is covered by Council insurance policy.	Continue current process	Adequate system.

Business Continuity due to Covid-19 Virus or similar	Council unable to convene meetings	L	Council would use Zoom and conduct meetings online. Resolution passed to delegate power to the Clerk to make decisions on behalf of the council where those decisions are not covered by legislation or in its standing orders or financial regulations.	Continue with current process if needed.	Current system is adequate
	Council unable to approve payments in meetings	L	Clerk has delegated power in Financial Regulation 4.1 to authorise spend in conjunction with the Chairman of up to £500. Council has approved internet banking which is done remotely. Payments such as Clerks salary are covered by blanket approval during budget process and are also covered by separate legislation and would have to be authorised and paid remotely.	Continue with current process if needed.	Current system is adequate
	Clerk and /or key councillors affected by Covid-19 or similar	L	Clerk to be paid sickness pay as per employment contract. Any councillor exposed to the virus to follow government guidelines.	Continue with current system if needed.	Current system is adequate
Business Continuity in general	Sudden and unexpected loss of key personnel	L	Councillors cover short term absence of Clerk. Clerk /RFO to ensure passwords are kept accessible to Chairman. Loss or long term incapacity of Clerk would be covered by Councillors and / or the appointment of a	Continue with current arrangements	Current system is adequate.

			Locum . Membership of Ncalc to be maintained and support to be accessed.		
	Loss of key documents / Computer system	L	Clerk to back up all documents to Cloud storage. Clerk to report any concerns regarding computer system as soon as soon as they occur.	Continue with current system	Adequate system in place
	Loss of authorised signatories due to election process	M	During an election year ensure steps are taken to safeguard the payments process while new councillors are set up on the banking system. Payments for May and June may have to be authorised early, particularly salary payments.	Maintain current system and monitor.	Adequate system in place.