

St Martins Parish Council Financial Risk Register 2023/2024					
Financial Risk Assessment: 1. Administration					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-lihood	Impact	Rating	
1	Poor financial management	2	4	8	Responsibility for the management of financial affairs and delegations clearly defined. Monthly budget statements reviewed by Clerk/RFO. Standing Orders, Financial Regulations and Delegations reviewed annually. Formal appointment of internal auditor by Full Council Internal audit schedule of work reviewed annually. Internal audit reports and any actions to be taken reported to Full Council Effective budgetary control and financial reporting system maintained.
2	Non-compliance with statutory deadlines for completion, approval or submission of accounts & financial statements.	2	4	8	Schedule for committee meetings set and updated regularly. Year end accounts approved by Full Council within set deadlines.
3	Failure to comply with Customs & Excise Regulations	1	4	4	Value added tax is properly administered. All VAT claims completed and submitted promptly.
4	Failure to maintain record of Council assets	1	4	4	The RFO maintains an asset register for financial purposes. All acquisitions/disposals are accurately and promptly recorded. Annual inventory checks undertaken for insurance purposes.
5	Failure to comply with Inland Revenue Regulations	1	4	4	Comprehensive records kept of all calculations of income tax, and national insurance deducted from pay. Deductions checked against budget estimates on a monthly basis. All sums due paid promptly.
6	Loss of Clerk/RFO	2	5	10	Chairman to convene meeting and organise cover for essential tasks. Temporary Clerk appointed. Council to seek new Clerk as soon as possible.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	
Financial Risk Assessment : 2. Banking and Investments					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like - lihood	Impact	Rating	
1	Incorrect or illegal procedure	2	4	8	Banking arrangements reviewed on a regular basis by Finance Committee. Bank accounts operated within fixed limits. e.g. BACS payments. Codes and passwords changed when officer responsible for specific tasks changes.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	

Financial Risk Assessment: 3. Expenditure					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-lihood	Impact	Rating	
1	Failure to maintain an effective payments system via cheques and electronically Cheque Payments:	2	4	8	Sound budgetary control employed for all expenditure. Anticipated costs adequately provided for in budgetary process. Expenditure within estimated budgets controlled by the Clerk/RFO. The relevant Officer's signature to show final approval for payment. All cheques raised must be authorised by the relevant Officer before Members sign the cheque. All cheques and relevant invoices must be signed by two authorised Members and cheque number endorsed on cheque run summary. Two Councillors will check all invoices against the Alpha payment list and the electronic payment schedule, approving, signing and authorising each individual payment.
2	Incorrect payment	2	3	6	Invoices must be signed by the Officer receiving the goods as true and correct. Bank accounts operated within fixed limits for BACS payments e.g. salaries. Clerk/RFO to ensure all expenditure within legal powers.
3	Improper use of direct debit	2	3	6	All DD mandates signed off by Clerk/RFO and two Members. Limited use of direct debits and any new ones must be authorised by Clerk/RFO before setting up.
4	Not achieving value for money	3	2	6	Process for obtaining quotes determined in Financial Regulations. All contracts and tenders marked on value for money=price/weighted score.
5	Inadequate budget provision	2	4	8	Any unexpected expense to be met from reserves or virement only after Council approval.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	
Financial Risk Assessment: 4. Grants					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-lihood	Impact	Rating	
1	Grant income incorrect	1	3	3	Clerk/RFO to authorise any grant applications. Clerk named as RFO on all grant applications. All grant money received and checked against application form Any money wrongly received or not used returned as required by funding body.
2	Insufficient budget for grant awards	1	3	3	Budget reviewed annually and agreed as part of the budgetary process. Grant applications assessed against Council criteria and award recommended by Council. All grant awards approved by Council before assigning money to applicant.
3	Improper use of funds by applicants	2	2	4	Grant application forms completed by all applicants. All applicants and applications researched and evaluated thoroughly. All grant awards acknowledged by receipt or letter of confirmation. Random checks are undertaken following award to ensure grant awarded is spent as stated in the application. Appropriate action taken to recover any money not used as detailed in the grant application. All monies received must be spent on the specific purpose applied for in the grant application.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	

Financial Risk Assessment: 5. Income					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-likelihood	Impact	Rating	
1	Failure to set a precept within sound budgeting arrangements.	1	4	4	Responsibility of Clerk/RFO, Council, Presentation to Council follows an agreed timetable. Precept is set as a result of a full report, detailing requirements for forthcoming year for all heads of income and expenditure. All charges made by the Council are reviewed as part of budgetary process. Adequacy of all balances and reserves reviewed. Effective budget monitoring in place throughout the year.
2	Precept not received	1	4	4	Level of precept to be raised, issued on time to Shropshire Council. Dates receipt of precept due logged in Council diary. Defined procedure for payments issued to relevant bodies. Proper records maintained of income received and banked. Income received is made via cash, cheque, bank transfer or card payment following the procedures in place.
3	Loss of income from facilities through poor asset maintenance	1	4	4	Annual maintenance inspection and maintenance regime in place to ensure maximum availability.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	
Financial Risk Assessment: 6. Insurance					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-likelihood	Impact	Rating	
1	Insufficient cover	2	5	10	Level of cover cross checked with inventories on an annual basis. All relevant risks included in the insurance policy. Alternative arrangements made for any lack of cover for a specific service or professional expertise. Self insurance is considered as a reasonable alternative. Level of fidelity insurance to cover total balances and 50% of precept. Level of cover reviewed and updated when there are any significant changes in balances, purchases or disposals. Any amendments required are actioned immediately.
2	Risk to third party as a consequence of providing a service.	2	4	8	Appropriate insurance cover/policy in force. Proof of third party public liability insurance always demanded.
3	Invalid insurance policy	1	5	5	Insurance policy and level of cover reviewed on an annual basis. Prompt payment of premiums. Any issues with policy or company reported to Clerk/RFO.
4	Requirement to make claim	3	2	6	No liability admitted and incident reported immediately to the Clerk/RFO. Accident/Incident Form completed as soon after the event as possible. Contact details of any witnesses taken at the time of the incident. Insurance company contacted to report incident and take instructions on how to proceed.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	

Financial Risk Assessment for: 7. Payroll and Allowances					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-lihood	Impact	Rating	
1	Loss of payroll data on PC due to system failure	2	4	8	Data backed up on a weekly basis. Hard copy of employee financial records stored securely. All salaries paid directly into staff bank account by BACS. Upper limit set on BACS payments to payroll provider.
2	Wrong PAYE and pension contributions	2	3	6	Council notified of any discrepancies by relevant organisation and amendments made.
3	Misappropriation or theft	1	3	3	All expenditure cross checked with budget estimates and reconciled with bank statements.
4	Wrong pay level according to grade of employee	1	2	2	Annual salary and grade for each employee agreed by Full Council.
5	Member over or under paid allowance	1	1	1	Payment schedule produced. Payment report checked by the relevant Officer.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	
Financial Risk Assessment: 8. Internal Audit					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-lihood	Impact	Rating	
1	Scope of Internal Audit does not include all relevant risks.	1	4	4	The terms of reference for the Internal Audit are agreed by Council. The scope of the audit plan is reviewed annually to ensure it supports the Council's Annual Governance Statement by Council. The scope of audit work takes into account risk management processes and wider internal controls. Terms of reference define audit responsibilities in relation to fraud.
2	The Internal Auditor is not sufficiently independent, unbiased and objective.	1	4	4	The Internal Auditor has direct access to those charged with governance i.e. Members. Reports are made in own name to management. Auditor does not have any other role within the Council. The Internal Auditor is not involved with the preparation of management accounts.
3	The Internal Auditor is unable to carry out the work ethically, with integrity and objectivity.	1	4	4	Internal Audit reports are considered by the Council to ensure competency of the Internal Auditor meets the Council's requirements. References are obtained when appointing the Internal Auditor.
4	Relationships impact on an effective audit process.	1	4	4	The Clerk/RFO is consulted on the internal audit plan and on the scope of each audit. Responsibilities for officers and internal audit are defined in relation to internal control, risk management, fraud and corruption matters. The Internal Auditor is not allowed to influence the direction or extent of the review. The responsibilities of Council Members are understood; training of Members is carried out as necessary.
5	Inadequate or a lack of audit planning and reporting.	1	4	4	The Internal Auditor is instructed to undertake a full internal audit and to submit recommendations for improvement. The annual audit plan properly takes account of all the risks facing the Council and is approved by the Council. Internal audit is reported in accordance with the plan.
Reviewed by:				Date:	
Parish Clerk Approval:				Date:	

Financial Risk Assessment: 9. Strategic Risk Register					Responsible Officer: RFO / Full Council
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Like-likelihood	Impact	Rating	
	Sudden loss of Parish Clerk	2	4	8	<p>Lots of tasks are already covered on normal absence (holiday / sickness)</p> <p>Most core and critical processes are documented</p> <p>Seek support from other Parish Councils</p> <p>Recruitment is the only long term solution</p>
5	Sudden loss of Councillors	1	5	5	<p>Chairman, Parish Clerk and Committee Chairman ensures meetings are quorate</p> <p>Standing Orders would apply if not quorate no business to be transacted</p> <p>Council by-election/Co-option process would commence</p> <p>Shropshire Council informed if Council unable to transact business until by-election held</p>
6	Loss of IT facilities	2	3	6	<p>Business Continuity Strategy & Action Plan in place</p> <p>Full offsite backup service provided by existing IT supplier</p> <p>Battery backup service in place for orderly shut down on power outage</p> <p>Testing of recovery of specific systems – e.g. Accounts</p> <p>Occasional power outages / internet access failures / PC failures already occur and are successfully managed operationally</p>
7	Significant change in funding; sudden large expenditure required; excessive under-budgeting established	1	4	4	<p>Council has established adequate reserves</p> <p>Insurance in place to cover major risks</p> <p>Resort to other funding sources or Public Works Loan Board</p> <p>Correct deficit via budget planning over subsequent years</p> <p>Extend forward budget planning over a number of years</p> <p>Experience in place to manage any public messages required</p>
8	Fraud, Misconduct, Gross underperformance	1	3	3	<p>Financial Risk Assessments in place</p> <p>Procedures in place to prevent / detect including payment authorisation and internal audit</p> <p>Plus management vigilance, informal monitoring, trust and spot checks</p> <p>Full appraisal system in place to ensure continuous development and improvement</p> <p>Insurance in place to cover any resulting financial losses</p> <p>Never used in these circumstances, but there is experience in place to manage any public messages required.</p>
9	Media mis-reporting	3	2	6	<p>Press Releases / News Items issued where relevant</p> <p>Follow Social Media and Media Relations Policy</p> <p>Policy is to ignore social media criticism as first option</p> <p>Councillors / Clerk available to brief journalists</p>
10	Malicious mis-representation	1	2	2	<p>Everyone has the right to free speech</p> <p>Policy of not responding to general chat except in very exceptional cases has been proven to minimise impact</p>
11	Council action having unintended negative impact on other parties	1	4	4	<p>Transparent procedures and processes in place to minimise likelihood in day to day service operations</p> <p>Effective project management / action planning / risk management procedures in place for all defined projects, functions, events and services</p> <p>Councillors available and prepared to discuss any impacts at any time</p> <p>Insurance in place to cover any resulting financial losses</p> <p>Expert / professional input sought where appropriate</p>

					Incidents discussed and analysed at fortnightly Mayoral meetings, with appropriate action agreed
12	Out-of-the-ordinary tasks having unexpected consequences	2	3	6	All ordinary services are covered by detailed procedures / processes, with high risk areas having their own specific risk management plans One off activities have their own risk management plans and discussions with the Safety Advisory Group Expert / professional input sought where appropriate Post event reviews executed
13	Contractors not supplying agreed services	1	3	3	All tasks are controlled by defined contracts / purchase order or service level agreements All contracts / agreements are monitored as required by the relevant officers and relevant corrective actions taken Full procurement procedures (including credit checks) defined and followed Preferred and proven contractors used where possible Alternative suppliers continually considered
14	Confidential data being disclosed	1	4	4	Very little confidential data held Security measures in place and used – e.g. safes, shredding, firewall etc Staff training executed and nominated Data Protection Officer in place Data Protection procedures fully reviewed as part of 2018 GDPR implementation Consideration applied as part of all new services / activities
Reviewed by: St Martins Parish Council					Date: 13th April 2023
Parish Clerk Approval:					Date: