

NORTH HINKSEY PARISH COUNCIL
FINANCIAL ADMINISTRATION - RISK ASSESSMENT 2023

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Date: 14th February 2023

Approved by Council:

Review Date: February 2024

Ref No	Description	Risk	Level of Risk H/M/L	Management of Risk	Action Required	Internal Audit Frequency
	INCOME					
01	PRECEPT	Incorrect Calculations by RFO	L	Oversight by both F&GP Committee and Full Council	Check	Interim and Year End Audit
		Is not submitted.	L	Full PC minute of approval. RFO to ensure request is submitted by deadline, or extension requested and met.	Check	Interim and Year End Audit
		Not paid by D.C.	L	ensure that half the precept is in General Reserves at the end of the Financial Year. RFO to monitor and resolve	Check	Interim and Year End Audit
02	CHARGES ALLOTMENTS	Rental invoices	L	Correct amount, ensure sent out.	Agree with Council	Interim and Year End Audit
		Cash handling/banking	L	Invoices to request payment by Bank Transfer and encourage payment by Standing Order. Any cash or cheques banked as soon as possible.	Bank any cash/cheques received and chase outstanding sums	Interim and Year End Audit
03	GRANTS All Applications	Ensure all claimed and in correct format.	L	Clerk/RFO to ensure received.	Clerk/RFO to check.	Interim and Year End Audit

04	INVESTMENT INCOME/BALANCES	Receipt when due	L	Monthly statements requested for all accounts.	Check bank statement	Interim and Year End Audit
		Investment policy	L	Review policy annually	Investment policy in place.	Interim and Year End Audit
		Surplus funds	M/L	Review policy annually	See above.	Interim and Year End Audit
		Balances/Cash in Hand	L	No petty cash held, use MultiPay Card No cash transactions except in exceptional circumstances. Allotment key deposits are given in cash and banked promptly. Adequate Fidelity Guarantee Insurance	Internal Auditor has confirmed adequate insurance and since the money held is below £500,000, NHPC benefits from protection from the Financial Services Compensation Scheme (FSCS).	Clerk/Audit

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	EXPENDITURE					
05	SALARIES	Wrong salary paid	M	Clerk/RFO uses HMRC PAYE tools for salary calculations and the Pension system for the Oxfordshire LGPS Pension scheme. Two councillors check the calculations and council approve the payments. Two authorised councillors check HMRC RTI documentation each month via email. Same two councillors also have employment contract details for staff.	Clerk emails documentation each month and hard copies available on file.	Interim and Year End Audit
		False employee	L	Salary Standing orders or BACs payments must have on-line approval of two bank signatories. Bank statements are checked quarterly by F&GP Committee.	Two Councillors approve payments. Clerk/RFO presents bank statements and bank reconciliations to F&GP Committee quarterly	Interim and Year End Audit
		Wrong deductions PAYE/NI/Pension	M	HMRC RTi basic PAYE tools software calculates PAYE/NI. Correct tax codes used with reference to communications from HMRC. Pension payments agreed with Oxon Pension Fund and i-Connect software used to submit payments. All monthly documentation is emailed to two councillor signatories prior to BACs payments being approved by Council.	Clerk to email documentation to two bank signatories monthly. Councillors approve payment by BACs.	Interim and Year End Audit

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06	DIRECT COSTS AND OVERHEAD EXPENSES	Goods not supplied	M	Check outstanding orders	Check on arrival	Interim and Year End Audit
		Invoice incorrect	L	Arithmetic check	Check on arrival	Interim and Year End Audit
		Accuracy of cheques drawn	M	Cheques not used. All payments by MultiCard, Bank Transfer, Direct Debit or Standing Order.	Two councillors approve payment	Spot check at Interim and Year End Audit
		Accuracy of BACs payments	M	RFO checks invoices when setting up payment. The invoices are presented to Council so every councillor and the public has access to them. Signatories check payments before authorisation.	Two councillors approve payment	Spot check at Interim and Year End Audit
07	GRANTS	Power to pay.	M	Council empowered to do – General Power of Competence. GPC requires renewal after election.	Councillors approve payment.	Interim and Year End Audit
		Agreement of Council to pay	L	Grant approved by full Council. Authorising minute	Councillors approve payment	Interim and Year End Audit
		Conditions not met	L	Grant policy, application process, realistic conditions	Clerk/RFO verify	Interim and Year End Audit
08	VAT - RECOVERY	VAT analysis	M	Adequate analysis software/correct rates on Scribe	Clerk/RFO verify.	Spot check at Interim and Year End Audit

		Claimed within time limits	M	Claims submitted every 3 months and reported to F&GP.	Clerk/RFO verify	Interim and Year End Audit
09	BANK ACCOUNTS/ RECONCILIATIONS	Loss of money	M	Regular monthly reconciliation of all Bank accounts using Scribe	Clerk to do monthly bank reconciliations.	Spot check at Interim and Year End Audit & F&GP Cttee
		Loss of control	M	F&GP Committee review bank statements and bank recs every quarter	Agreed by F&GP Committee	Interim and Year End Audit

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10	RESERVE LEVELS General	Adequacy	L	Consider at budget setting - 3-year budget forecast	Clerk/RFO opinion	Interim and Year End Audit
	Earmarked	Adequacy	L	Consider at budget setting. Ensure they meet the criteria.	Clerk/RFO opinion	Interim and Year End Audit
	Earmarked or Contingent Liability		L	Consider at budget or final accounts stage	Clerk/RFO & Councillors view	Interim and Year End Audit
11	ASSETS	Loss, Damage etc.	M	Annual inspection, update insurance and asset register. (See separate asset register)	Clerk/RFO & Councillors to check.	Periodically
		Risk of damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Clerk/RFO & Councillors ongoing review	Interim and Year End Audit
12	STAFF	Loss of key personnel	L	Hours, health, stress, adequate training, long term sickness, early departure. Annual staff review as per contract of employment. Risk Assessment also required and measures put in place to protect the Clerk/RFO from being bullied by Council or individual councillors.	Contingency plan	(Review arrangements)
		Fraud by staff	L	Insurance cover Fidelity Guarantee Regular checks by bank signatories and F&GP Committee	Annual review of insurance cover Quarterly checks by F&GP Committee	Interim and Year End Audit
13	LOSS	Consequential loss due to critical damage or third-party performance	L	Risk Assessments required and any required training certificates. Ensure adequacy of contractors and Council insurance cover.	Clerk/RFO ongoing review	Interim and Year End Audit

		Cash loss through theft or dishonesty	L	Ensure adequacy of Councils insurance cover. Minimal cash handling with two persons involved and payments accepted by BACs where possible.	Clerk/RFO ongoing review	Interim and Year End Audit
14	MAINTENANCE	Poor performance and condition of assets	M	Regular inspection and planned maintenance programme. (See separate asset register)	Clerk/RFO/safety Checks/Councillors/Contractors checks	Interim and Year End Audit (Relies on evidence)

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15	LEGAL POWERS	Illegal activity or payment	H	Advise Council as to their legal responsibilities and powers. Financial Regulations updated annually in accordance with SLCC/OALC guidance and Council practices.	Clerk/RFO ongoing advice	Interim and Year End Audit
16	DATA PROTECTION	Data Breach. Non-Compliance with GDPR legislation	H	Data Protection Training provided for all Councillors. Certificates available for review in the Parish Office. Data Protection one of the duties of the Clerk. Provision of gov.uk email addresses for all councillors, which have higher security levels. No personal emails used for Council Business. Consideration of purchase of Microsoft 365 Business Basic for each councillor, decision to be taken by new council but costs are in the budget.	To ensure the security of Council data and information is only used for the agreed purpose.	Review Annually
17	FREEDOM OF INFORMATION	Lack of Policy Provision	L	The Council publishes documents as required.	Monitor any requests made under FOI	Ongoing
17	INSURANCE COVER	Inadequate insurance cover	L	Regular review of insurance cover	Clerk/RFO to review	Interim and Year End Audit
18	BEST VALUE	Value for Money - ensure that there is no overspend on service provision	H	Ensure correct tendering for services and encourage Best Value.	Ongoing requirement	Interim and Year End Audit
19	FINANCIAL RECORDS	Inadequate records	L	RFO/Clerk checks + Internal Audit. Use of Scribe accounting software.	Ongoing checks	Interim and Year End Audit

		Loss of records	L	Scribe is set up on-line so data is constantly backed up to the Cloud. Separate hard copy folder with records of invoices, payments, internal audit, AGAR etc in case of IT failure.	Clerk/RFO to keep independent copy	Interim and Year End Audit
20	MINUTES	Accurate and legal	L	Review and approve at following meeting.	Councillors to agree as a correct record by vote.	Interim and Year End Audit
		Loss of minutes	L	Paper and backed-up computer copies	Clerk to maintain	Interim and Year End Audit
21	MEMBERS INTERESTS	Conflict of interest	M	Training provided by the Monitoring Officer which Councillors required to attend. Declarations of Interests submitted by Councillors and forwarded to the Monitoring Officer. Copies available on NHPC Website. Reminder to Councillors to declare and update declarations of interest is placed on each agenda.	Councillors, Monitoring Officer and Clerk.	Interim and Year End Audit
22	INTERNAL AND EXTERNAL AUDIT REQUIREMENT	Inadequate level of Audit Service	M	Ensure auditors are qualified to undertake the audit of the council's accounts and produce audit reports for consideration.	Councillors/Clerk RFO to review adequacy	Interim and Year End Audit

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23	LEGAL ACTION AGAINST THE COUNCIL	Action is taken by a third party following an accident or action taken by the Council	H	Adequate public liability insurance cover and legal cover. All risk assessment, health and safety checks and required maintenance is completed on Council assets. Legal advice obtained if notified of potential legal action. An estimate of potential costs obtained at the earliest opportunity.	Clerk/RFO and councillors to ensure sufficient sums available in General or Earmarked Reserves to cover unexpected legal fees.	Interim and Year End Audit
24	ELECTION COSTS	Lack of budgetary provision for unanticipated election	H	Availability of General or Earmarked Reserves.	Clerk/RFO and councillors to ensure adequate provision at annual budget round.	Interim and Year End Audit