



# Balderton Parish Council

## Financial Risk Register

Adopted on November 27<sup>th</sup>, 2024

### Introduction

As a public authority we must have appropriate arrangements in place. As a minimum, authorities must identify and assess risks and address those identified risks by mitigating or managing them.

Risks are unavoidable, but they need to be managed either by mitigation or controls such that they are tolerated, treated, transferred, or terminated. Insurance is a significant way of managing and reducing risks relating to property, cash, and legal liability (amongst other things). This document looks at the potential financial risks to Balderton Parish Council and how we mitigate against them.

### Risk Prioritisation

The table below is recommended in the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide. Risk prioritisation is an assessment of the severity of impact if something were to happen and how likely it is to happen.

Priority of risk management				
Likelihood of occurrence	Highly Likely (score 3)	Medium (3 x 1)	High (3 x 2)	Very High (3 x 3)
	Possible (score 2)	Low (2 x 1)	Medium (2 x 2)	High (2 x 3)
	Unlikely (score 1)	Very low (1 x 1)	Low (1 x 2)	Medium (1 x 3)
		Negligible (score 1)	Moderate (score 2)	Severe (score 3)
		<b>Impact</b>		

Source: JPAG 2023, section 5.97

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
1.	<p><b>Adequacy of Insurance which covers the following areas of risk:</b></p> <p>General adequacy</p> <p>Compliance with terms</p> <p>Public Liability (statutory)</p> <p>Employers Liability (statutory)</p> <p>Money</p> <p>Fidelity Guarantee</p> <p>Property</p> <p>Libel and Slander</p> <p>Personal Accident</p> <p>Excess</p>	<p>1x1 = 1</p> <p>1x1 = 1</p> <p>1x1 = 1</p> <p>1x1 = 1</p> <p>1x1 = 1</p> <p>1x1 = 1</p> <p>1x2 = 2</p> <p>1x2 = 2</p> <p>1x2 = 2</p> <p>1x1 = 1</p>	<p>Prompt response to any issues brought to the council's attention.</p> <p>New assets added to Asset Register immediately after acquisition &amp; reported to insurer when required.</p> <p>Asset register review annually.</p> <p>An annual review is undertaken of insurance arrangements. Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement. Clerk consults with insurance company and Council to ensure the cover is appropriate and conditions are met to ensure compliance.</p> <p>Risk Assessments in place and reviewed annually.</p>	<p>Policy to be reviewed and limits to be checked annually.</p>	<p>Full Council and Clerk</p>

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
2	<b>Inadequate precept request/budgetary provision/reserves</b>	1x2 = 2	<p>Formal budgetary consideration by Full Council based on advice from RFO/Clerk.</p> <p>Quarterly budget monitoring to be reported to full council. All income and expenditure logged and balanced monthly.</p> <p>Fluctuations in income monitored.</p>	<p>Council to set the precept by February.</p> <p>Three-year financial projection to be introduced.</p>	Full Council, Clerk & RFO
3	<b>Payroll and Salaries</b> Incorrect recording and payment of mandatory financial liabilities such as salaries/pensions/taxes leading to regulatory penalties. Incorrect calculations of salaries	1x2 = 2	<p>Keep up to date on HMRC &amp; NCC Pension requirements HMRC &amp; NCC paid monthly. Calculations made by RFO/Clerk checked by 2 councillors. Internal Auditor checks. Monthly report of total salaries to council.</p> <p>Adherence to Financial Regulations.</p>		Full Council, Clerk & RFO

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
4	<p><b>Employees/Employment Law</b></p> <p>Fraud Health and Safety</p> <p>Workforce gaps (i.e. loss of clerk/RFO, to resignation, illness, fraud, failure of council activities or actions) leading to non-achievement of Council objectives.</p> <p>Litigation and reputational risks arising from employee,</p>	<p>1x2 = 2 1x2 = 2</p> <p>1x2 = 2</p> <p>1x2 = 2</p>	<p>Contract in place with HR specialists. Advice sought regarding HR. New staff have best practise contracts.</p> <p>Fidelity Guarantee/Insurance Training and equipment for staff. Staff handbook in place.</p> <p>All online payments authorised by 2 councillors. All invoices signed off by 2 councillors.</p> <p>All bank reconciliations signed off by 2 councillors.</p> <p>Staff welfare a priority; all necessary PPE clothing and equipment provided. Necessary equipment for office staff comfort provided. Appropriate risk assessments in place. Consider the need for future staff succession/training.</p> <p>Key Person Cover included on insurance policy to cover staff</p>	<p>Updates received from Worknest should there be any changes in legislation etc.</p> <p>Quarterly Personnel and Policy Committee meetings in place so the council has oversight of personnel management.</p> <p>Ongoing monitoring for health and safety requirements and insurance annually</p>	<p>Full Council, Clerk &amp; RFO</p>

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
	grievance /dispute.		<p>absences of more than fourteen days. Contingency for locum Clerk to be put in place – refer to Notts SLCC/Notts ALC. Ensure Clerk’s Contract Terms &amp; Conditions /Training are updated regularly.</p> <p>Employee contracts are in place. Annual appraisals conducted. Regular monitoring by Clerk/Council as part of good working practice.</p>		
5	<p><b>Bank and banking</b>  Inadequate checks  Bank mistakes  Payment mistakes - monetary loss through electronic banking errors.</p> <p>Lack of cover due to insurance thresholds (£85,000 per bank) for funds held above financial institutions leading to invalidation of cover.</p> <p>Lack of signatories</p>	<p>1x2 = 2  1x1 = 1  1x2 = 2</p> <p>1x3 = 3</p> <p>1x2 = 2</p>	<p>Adherence to Financial Regulations.</p> <p>Reconciliation done at least every 2 months to pick up any mistakes.</p> <p>All online payments authorised by 2 councillors. All invoices signed off by 2 councillors.</p> <p>All bank reconciliations signed off by 2 councillors.</p> <p>Regular checks that signatories are up to date.</p>		Full Council, Clerk & RFO

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
6	<b>Financial loss through internet fraud.</b>	1x3 = 3	<p>Adherence to Financial Regulations.</p> <p>All staff and councillors with online banking access keep their passwords and log in details private.</p> <p>The potential for fraud is mitigated by no payment being able to be made through the council's bank accounts/investments without 2 councillors approving it.</p> <p>Financial limit on debit card which is held by the clerk.</p>		Full Council, Clerk & RFO
7	<b>Financial reporting not transparent</b>	1x1 = 1	Adherence to Financial Regulations. Financial reports taken to every full council meeting. Quarterly budget reviews are conducted.		Full Council, Clerk & RFO
8	<b>Financial records /administration</b> Loss of payroll data Loss of computer files Lack of audit trail Maladministration of payments Bank account/finance system	1x2 = 2 1x2 = 2 1x2 = 2 1x2 = 2 1x1 = 2	Payroll data backed up on server. Rialtas data backed up daily. Regular reconciliations undertaken to ensure financial accuracy. Professional Sage payroll and Rialtas accounts packages		Full Council, Clerk & RFO

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
	not reconciled		used. I.T. company contract in place. Anti- virus software on all computers. Check annually that bank mandates are up to date. Financial reconciliations reported to full council and verified by 2 members.		
9	<b>Charges – fees receivable not paid</b>	1x2 = 2	Process in place to chase overdue payments.		Full Council, Clerk & RFO
10	<b>VAT – not reclaimed</b> Non-compliance with VAT regulations leading to regulatory penalties.	1x1 = 1	HMRC VAT regulations adhered to and claims regularly submitted. Internal Audit check.		Full Council, Clerk & RFO
11	<b>Financial loss as a result of theft of cash</b>		Minimal cash on site (kept in safe) as customers are encouraged to pay by bank transfer. Regular deposits to Lloyds. Ensure customers know our banking details to maximise electronic payment. Insurance in place.		Full Council, Clerk & RFO
12	<b>Unqualified/Non impartial Internal Audit</b>	1x2 = 2	Independent, competent Internal Auditor appointed.	Auditors' appointment approved by Council. Terms of reference reviewed and agreed in Council.	Full Council, Clerk & RFO
13	<b>External audit not completed within set</b>	1x1 = 1	Clerk/RFO follow strict rules provided by Pkf Littlejohn.	Ensure diligence when completing and approving the	Full Council, Clerk & RFO

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
	<p><b>timescales</b></p> <p>Regulatory penalties as a result of errors on annual returns.</p>			<p>return.</p> <p>Regular training for Clerk and RFO.</p>	
14	<p><b>Lack of transparency</b></p>	1x3 =3	<p>Proper, timely and accurate reporting of council business in agendas and minutes. Council strategy and action plan.</p> <p>Adherence to the Standing Orders of the Council.</p> <p>Staff training</p> <p>Council membership of National Association of Local Councils and Clerk membership of the Society of Local Council Clerks.</p> <p>Compliance with the transparency code.</p> <p>Rights of inspection publicised on noticeboards at Balderton Village Centre and on the council's website</p>	<p>Strategy and Action plan to be reviewed annually.</p>	<p>Full Council, Clerk &amp; RFO</p>
15	<p><b>Public Amenities Liability Claims</b> Allotments</p>	1x3 = 3	<p>Allotment Sub Committee formed of members and tenant representatives with quarterly</p>		<p>Amenities Committee &amp; Clerk</p>



No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
	<p>Cemetery &amp; St Giles churchyard</p> <p>Parks</p>		<p>system in place for allotment inspections. Ground staff routinely inspect communal areas.</p> <p>Memorial stones need to be checked in line with current H&amp;SE advice. Clerk/Head Groundsman have received training.</p> <p>Play equipment inspected weekly, any repairs arranged immediately, any dangers removed. Annual professional inspection conducted. CCTV cameras in place.</p> <p>Tree Management Policy (TMP) in place with inspections on all parish council owned sites – regularity dependent on level of risk – Appendix 2 in TMP</p>	<p>All grounds staff to be trained. Memorial testing policy in place. All testing to be completed by January 2025</p> <p>Recorded play equipment checking system in place. Recommendations on annual inspection actioned.</p> <p>Annual review on trees to be conducted.</p>	
16	<b>Cafe Loan default</b>	1x2 = 2	Fixed rate loan taken over 10 years so exact amount of repayments are certain.	Total amount of annual repayments built into the budget.	Full Council, Clerk & RFO

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
			Rent taken from cafe tenant helps offset cost		
17	<b>Loss of infrastructure</b> Village Centre Machinery Store Vehicles Mechanical Equipment Café building	1x3 = 3	Adequate insurance in place. Routine maintenance conducted and reserves budgeted for replacement. Fire risk assessment with mitigations in place. Risk assessments regularly reviewed. A contingency fund for emergencies built into the budget.	Undertaken as part of the budgetary process when precept set.	Full Council, Clerk & RFO
18	<b>Regulatory penalties and reputational risk</b> - arising from non-compliance with legislation (illegal actions) governing council processes.	1x2 = 2	Ensure all resolutions are within council's legal powers. Clerk and Councillors attend regular training, which is provided for in the budget. Council has access to support and information including on new legislation. Standing Orders and Financial Regulations govern council processes and are regularly reviewed to account for changes in law. Clerk to take further advice and check legality of decision if council is unsure. SLCC / NALC membership is maintained so, guidance can be		Full Council, Clerk & RFO

No.	Risk description	Risk Likelihood x Impact	Mitigation	Review/Assess/ Revise	Risk Owner
	Non-Compliance with General Data Protection Regulation leading to regulatory penalties.		sought from NALC/SLCC.  The council is registered with the information commissioner. GDPR policies in place. Ensure publication scheme is updated and published on the website.		
19	<b>Conflict of interest</b> Risk negative publicity and reputational damage to the council as a result of members conflict of interests.	1x2 = 2	Ensure Register of Interests is updated. Councillors must declare interests at meetings.		Councillors