UPTON PARISH COUNCIL

Financial Risk Assessment

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

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate/Excessive Precept Precept not paid by Local Authority	L L	Prepare a robust, bottom-up budget, considering costs, risks, opportunities, and change factors. Facilitate public engagement through newsletters and website. Present budget draft to Council for feedback. Approve budget, then precept, at a Parish Council meeting. Send Notification of Parish Precept Requirement form to WNC before the deadline, and request confirmation of receipt. Check bank account in April and September to ensure correct payment has been received.	Current procedure adequate.
Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations	L	Review and revise latest NALC Model Financial Regulations as applicable to Upton Parish Council. Approve Financial Regulations at Council meeting and annually. Provide new Councillors with access to Financial Regulations.	Current procedure adequate.
Standing Orders	Not adhering to policy and procedures as set out in the Standing Orders	L	Review and revise latest NALC Model Standing Orders as applicable to Upton Parish Council. Approve Standing Orders at Council meeting and annually. Provide new Councillors with access to Standing Orders.	Current procedure adequate.
Bank Records & Banking	Banking / Financial Errors Loss through theft and dishonesty	L L	Prepare monthly bank reconciliations approved by the Internal Controller monthly and noted by Council quarterly. Publish all expenditure and income in monthly meeting Agenda. Approve all expenditure and income at Council meetings. Insure against Fraud and Dishonesty.	Current procedure adequate.
Electronic Payments (BACS)	Payments made without Council approval Incorrect electronic payment or amount made / No monitor on actual electronic entry.	L	List all payments for approval by resolution at Council meeting. Ensure dual authorisation via Bank Mandate. Use mandatory online banking security to ensure payments are appropriately authorised. Use “Confirmation of Payee” facility to verify account details.	Current procedure adequate.

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Financial/Account Records	Inadequate Records	L	Maintain a cashbook listing all income and expenditure. Retain electronic and hardcopy audit trail for all income and expenditure for at least six years.	Current procedure adequate.
Investment Account/Income	Not achieving best returns on investments Risk of loss of investments	L	Adopt a safe and low risk investment strategy. Prohibit investments which risk loss of principal amount. Seek high interest-bearing accounts which accept local councils. Split funds between institutions to spread risk and maximise cover under Financial Services Compensation Scheme (FSCS).	Current procedure adequate.
Grants Awarded by Council	Not following the grant claims procedure or misuse of funds	L	Adhere to appropriate limits and safeguards within Grants Policy. Ensure there is a legal power to cover the purpose of the grant. Ensures annual grants awarded do not exceed budget.	Current procedure adequate.
Cash	Loss through theft and dishonesty	L	Operate a no cash policy for all transactions.	Current procedure adequate.
Debit Card	Incorrect use	M	Restrict use of Debit Card to the Clerk (Financial Regulation 9.1). List all debit card payments on Agenda with minute reference confirming prior approval of spend.	Current procedure adequate.
Best Value	Work awarded incorrectly. Overspend on services.	L	Adhere to procedures for obtaining best value as set out in the Financial Regulations, Standing Orders and The Procurement Act 2023. Provide Procurement training.	Current procedure adequate.
Financial Reporting	Insufficient information	L	Report income and expenditure vs budget and movement on reserves to Council quarterly. Include drill-down to transaction level or commentary if required. Publish Financial Report on website quarterly.	Current procedure adequate.
Audits	Annual Audit is not completed within the set deadline Annual Audit is not advertised	L L	Prepare the Annual Governance and Accountability Return (AGAR) for the NCALC Internal Auditor to review in April. Present AGAR for council approval at the annual meeting in May. Submit the AGAR to the External Auditor for review. Ensure the annual audit and conclusion of audit notices are displayed on the Council notice board and website for the public to view, for the prescribed period of time.	Current procedure adequate.

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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' satisfaction, and only after full Council have approved them. 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 invoices will be followed up by the Clerk as part of month end routines.	Current procedure adequate.
Salaries	Salary and expenses paid incorrectly Incorrect NI & Tax deductions and Pension contributions	L L	Employ a payroll processing company to undertake all payroll and pension duties/tasks. Perform checks on the amounts calculated. Present salary, pension, tax and NI payments to Council for approval at the monthly Council meeting.	Current procedure adequate.
Insurance	Adequacy of Insurance Cost Compliance	L	Review cover and cost prior to the renewal date in May. Inform Insurer of any changes to needs or requirements. Notify Insurer of any major events Undertake Risk Assessments Obtain three quotations prior to renewal.	Current procedure adequate. Review when 3 year Long Term Agreement ends 31/05/2026
Reserves	Adequacy of Reserves	M	Report number of months of net revenue expenditure in General Reserve in quarterly accounts. Itemise earmarked reserves in quarterly accounts. Include recommendations for use or accumulation of reserves for Council's consideration in draft budget.	Reserves Policy required.

Adopted: February 2025

Reviewed: February 2026