

Martham Parish Council

Reviewed in June and November 2021. Last reviewed by Finance Committee November 2021 and adopted by Full Council in November 2021.

Financial Risk Assessment

1. The Audit Commission expects the Council to carry out an annual assessment of the risks it is exposed to and identify any actions it considers necessary to minimise those risks, this is also good governance practice.
2. The following table lists the risks involved and recommends necessary actions. The list may not be exhaustive and Members should feel free to consider other risks not identified.

Service Area	Risk	Assessment / Recommendations	Responsible officer/ committee
Insurance cover (Last reviewed 2021). Provide through Came & Co.' (Known now as Gallagher)	Public Liability (statutory)	Continue existing cover (£10m). Risk very low.	Council
	Employers Liability (statutory)	Continue existing cover (£10m). Risk very low.	Council
	Money	The Council does not take cash and if 'so' it is very small amounts of so the risk is minimal but the policy provides for cover of £1,000 during business hours.	Not applicable
	Fidelity Guarantee (Employee dishonesty)	Fidelity insurance commonly provides cover for alleged employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting, and other criminal acts. Cover is £150,000 which is more than that required by the Audit Commission. Risk very low.	Council / Responsible Financial Officer (RFO)
	Buildings etc	Building insurance to the value of £230,000. Is in place for the Community Centre. The Council owns five bus shelters. All insurances as detailed on Asset Register. Excess is £250. B The main village sign is insured under the same terms as above. Risk very low.	Council / RFO Council / Green, Open Spaces & Car Park WP

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	Street furniture, gates and fences	The Council owns seven seats, four notice boards, four 'welcome' village signs, two kissing gates and the boundary posts on the Green. In 2010 the Council decided it was uneconomic to insure these especially as the excess was high. There was no history of having to make claims. The amount saved was likely to be higher than occasional replacement costs.	Council / Green, Open Spaces & Car Park WP
	War memorial	Covered. Risk very low.	Council
	Office equipment	The Council owns a laptop, computer, iPad-mini, 2 filing cabinets and a telephone and a mobile phone. Not insured. Risk very low.	RFO
	Playground equipment	None under ownership of Parish Council.	Not applicable
	Village Green Car Park/spaces (near Co-op and adjacent to the central pond)	Covered under Legal Liabilities, Public & Products Liability, up to £10m. Any major repairs to the village centre car park are subject to an accumulating fund. Voluntary financial contributions are normally made by the Co-op. Risk medium.	Council
	Loss of revenue.	£10,000 automatic plus £10,000 increased cost to working.	Council/RFO
	Legal expenses	Covered for legal disputes including Corporate Manslaughter and Corporate Homicide Act 2007 for legal representation up to £100,000 per claim. Risk very low.	Council / RFO
	Libel & Slander	Covered during the ordinary course of business for up to £250,000. Risk very low.	Council / RFO
	Personal Accident & Officials Indemnity	Personal Accident – Staff, Councillors and Volunteers to £50,000 or £200 per week. Covered for errors made by Council during the ordinary course of business under section 1, part B of the insurance policy up to £500,000. Risk very low.	Council / RFO

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Payroll	Loss of data on PC due to system fault	The payroll system is maintained using HMRC software. Risk is minimal however there have been issue with HMRC (Clerk to monitor). Backups continue to be taken on a weekly basis of all other computer data and are stored on a secure memory stick. Risk low.	RFO / Finance Committee
Employees	Loss of services of employee	Immediately advertise any vacancy (if permanent loss). Request help from other local parish councils to provide temporary cover or employ temporary/locum Clerk as in the past. Risk low	Council / Personnel WP
Administration	Payment arrangements	Continue with requirement to report all payments to Council for approval by two Cllrs to agree and sign on the online system of Unity Banking. Continue to always require two signatures on cheques out of four Signatories. CHEQUES: If necessary authorised signatories check payments against invoice and sign both cheques and invoices and initial cheque stubs. Continue with 'password' system for view only on-line banking provided by Santander Bank. Risk low.	RFO
Bank	Reconciliation	Continue monthly bank reconciliation to cash book on receipt of each statement. Present regularly at full Council meetings. Risk low.	RFO
Agency advice	Acting incorrectly	Continue with memberships of NALC and SLCC. Risk low.	Council
Allotments	Increase in expenditure or reduced income from vacant plots	Review allotment rents annually and make recommendations to Council in time for annual budget review. Risk very low.	Allotments WP / Finance Committee
Footpaths	Increase in expenditure	Review maintenance costs annually and make recommendations to	Footpaths WP /

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		Council in time for annual budget review. Risk very low.	Finance Committee
Precept	Annual precept not the result of proper detailed consideration	Finance Committee to continue to determine budget each and make recommendations to full Council in time for precept setting. Risk very low.	RFO / Finance Committee
Legal powers	Illegal actions	Clerk to receive regular training. The 'Parish Clerk's Manual' and 'Local Council Administration' to be used as reference points. Solicitors' advice taken for specialist projects (SLCC available). All Councillors to be offered training, Councillors to be kept up to date with all Legal requirements and changes by the Clerk.	Council
Borrowings	-	The Council has none.	-
PAYE & NI	Payments not made	Deducted monthly through payroll and paid monthly. Continue with requirement to report all payments to Council for approval. Risk low.	RFO / Council
VAT	Refunds not claimed	Continue to claim twice annually unless amount exceeds £1,000 and if more frequently as appropriate. Continue with requirement to report all income to Council. Risk low.	RFO / Council
Accounting	Inadequate monitoring of performance	Up to date budget for all cost codes presented to each Parish Council meeting. Risk very low.	Finance Committee & RFO
	Non-standard and/or non-compliant records kept	Continue to require adequate, complete and statutory financial records and accounts. Continue to carry out internal audit checks bi-annually with external auditor and review audit requirements annually. Risk very low.	Finance Committee & RFO

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	Non-compliance with statutory deadlines for the completion/ approval/ submission of accounts and other financial returns.	Continue to ensure that all accounts and returns are completed and submitted by the deadlines requested. Risk very low.	Council
	Non-compliance with internal audit requirements.	Retain the services of an internal auditor. Full Council to review all internal audit reports. Risk very low.	Finance Committee & RFO
Contracts	Ensure continued best value for money coupled with continuity of work.	Continue the practice approving the advertising and seeking of tenders for all work to a value of more than £2000. Advertise locally and issue specifications and tender documents to contractors expressing an interest. Tenders to be opened by the Chairman and Clerk or members of the Finance Committee and reported to next available Council meeting where it is resolve to exclude the press and public from the meeting as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted. Risk very low.	RFO & Council
Section 137	Control of 'free' spending allowance.	Amounts separately identified in its own cost centre and recorded in the minutes and cash book and annual budget to ensure the budget is never exceeded. Risk very low.	RFO & Council
Minutes	Loss of proper record	All pages initialled and signed by the Chairman of the meeting, filed sequentially and kept safe. Additional copies kept on website. Risk very low.	Clerk/RFO

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Electors' Rights	Legal liabilities not followed	Notices of meetings and annual audit posted on notice board of the Community Centre and website, accounts freely available annually or on demand. Public speaking session provided at the beginning of all Parish Council meetings. Risk very low.	Clerk / Council
Document control	Loss of documents	Fireproof safe used to store leases and system discs. Filing cabinet used to store documents many of which are also held electronically on the laptop. Historic documents stored at the Community Centre. Archived documents sent periodically to NCC Records Office. Growing number of policy documents also kept on the Council's website at marthampc.org.uk Risk very low.	Clerk
Members' Register of Interests	Failure to register under Code of Conduct	Code of Conduct adopted and all councillors have signed a Register of Interests form. Forms reviewed annually. Copies kept by Clerk and Monitoring Officer. Risk very low.	Clerk
Green & Car Park	Public injury from ruts or uneven surfaces and tree branches	The Green is inspected by the contractor when cutting. Public liability insurance maintained. Tree Inspector – Bob Huxtable. Regular Tree Inspections undertaken; advice sought from Tree Officer Great Yarmouth Borough Council as necessary.	Green, Open Spaces, Car Parks & Staithe WP. Council / RFO

Risk Levels: -

Very low = less than 1% likelihood of occurring.

Low = from 2% to 5% likelihood of occurring.

Medium = from 6% to 10% likelihood of occurring.

High = from 11% to 20% likelihood of occurring.

Very high = from 21% to 50% likelihood of occurring.

Extremely high = over 51% likelihood of occurring.