FINANCIAL AND MANAGEMENT RISK ASSESSMENT FOR NORTHAW & CUFFLEY PARISH COUNCIL

Introduction

Risk assessment is a systematic general examination of for example working conditions, workplace activities, financial controls and procedures and environmental factors that will enable the employer to identify any and all potential risks inherent in the workplace or operational practices. Based on the recorded risk assessment, the Parish Council should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible ensuring that all employees are made aware of the results of the risk assessment.

This document has been produced to enable the Parish Council to assess the financial and management risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:-

- identify the areas to be reviewed
- identify what the risk may be
- evaluate the management and control of the risk and record all findings
- review, assess and recommend revisions if required.

Reviewed July 2025, Adopted by Full Council 16th July 2025 Item 25c

FINANCIAL AND MANAGEMENT RISK ASSESSMENT 2024/25					
Subject	**Hazards and Risks Identified**	**Risk Level H/M/L**	**Prob Level H/M/L**	**Management controls and measures in place to control risks**	**Assessment and/or controls needed**
Council membership	Losing Councillor membership or having more than 4 vacancies at any one time	Low	Low	When a Councillor vacancy arises there is a legal process to follow which either leads to a lawful election or a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment. If there are more than 4 vacancies at any one time on the Parish Council it becomes inquorate. The legal process of Welwyn Hatfield Borough Council appointing members takes place.	Existing controls and procedures adequate if implemented properly.
Business continuity	Risk of Council not being able to continue to provide services to the community	Medium	Low	Business Continuity Plan in place	Clerk will review regularly
Precept	Adequacy of precept	Low	Low	The Precept is an agenda item at full Council in November. Prior to this the Council receives quarterly budget updates, including actual position and projected position to the financial year end and indicative figures or costings for future projects produced by the Clerk/RFO. Earmarked reserves to be held for priority projects and rolling replacements. With all this information the Council should allow sufficient time to decide the required monies for standing costs and projects for the following year and apply specific figures to budget headings, the net total of which is resolved to be the precept amount to be requested from the Welwyn Hatfield Borough Council.	Existing controls and procedures adequate if implemented properly and in a timely manner by the RFO

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	Requirements not submitted to Welwyn Hatfield Borough Council in time.	Low	Low	Dates for submitting the Precept request should be ascertained from Welwyn Hatfield Borough Council in a timely manner and the above figure is submitted by the Clerk in writing to Welwyn Hatfield Borough Council by the required deadline.	Regular checks of all bank accounts and levels of reserves
	Precept amount not received by NCPC.	Low	Low	The Clerk/RFO monitors the bank statements and informs Council if the monies are not received (approximately in April/May and September). Adequate contingency reserves of 6 months expenditure to be maintained in the accounts to cover emergencies or non-payment of precept by Welwyn Hatfield Borough Council.	Regular checks of all bank accounts and levels of reserves
Borrowing	Failure to Comply with borrowing regulations	Low	Low	Appropriate legal processes to be followed and Council authorisation obtained.	Existing controls and procedures adequate if implemented properly by the RFO.
Financial controls and records	Inadequate records leading to Financial irregularities	Low	Low	The Council has Financial Regulations which set out the requirements and are followed with all financial transactions. Annual review of Financial Regulations undertaken by the Council.	Existing controls and procedures adequate if implemented properly.

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Bank and banking	Inadequate account checks and/or errors by bank resulting in loss or incorrect charges	Low	Low	The Council has Financial Regulations governing cash handling, banking, and reconciliation of accounts which should be followed in all cases by staff. If the Bank does make occasional errors in processing cheques they should be discovered when the RFO reconciles the bank accounts at least quarterly. These are reviewed by the Clerk, and spot checked by at least one Councillor. Any errors are dealt with immediately by informing the bank and awaiting/checking their correction. On-line banking is subject to similar controls, with two mandated "signatories" approving all electronic payments, based on the supporting evidence (approved invoices etc) provided by the Office Manager.	Existing controls and procedures adequate if implemented properly.
				Business Interruption insurance cover.	As above
	Failure to change account signatories	Low	Low	Following an election, co-option of councillors, or AGM, the Council choose replacement signatories and the Bank is informed by the Clerk.	
	Poor investment of funds, leading to loss of income	Low	Low	Council reserves are Barclays and Unity reserve accounts.	Reserves are regularly monitored by the RFO and all bank statements are reviewed by councillors

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Cash handling and loss	Loss through theft or dishonesty	Low	Low	Financial Regulations set out cash-handling requirements that should be observed by all councillors/staff. Cash/cheques received are banked by collection from G4S fortnightly. Secure cash controls in place for income-generating Council car parking machines. Separate risk assessment for "money handling" produced and tailored for each collection.	Two staff on site when collecting and counting funds from car park machine
Litigation against Council	Potential risk of legal action being taken against the Council	Medium	Low	Adequate Public liability insurance provided and includes cover for general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against. Insurance level reviewed and updated annually – see below.	Existing procedures and insurance are adequate for requirements but there could still be a risk of other claims.
Financial controls, reporting and auditing	Incorrect or fraudulent information provided and/or incorrect payments made by Council Non-compliance with audit requirements	Low Low	Low Low	Monthly bank account reconciliation carried out by RFO and subject to checks subsequently by two nominated councillors. A financial monitoring statement and payment schedule is produced by the Clerk/RFO monthly. Clerk/RFO checks and authorises monthly payroll inputs and any expenses claims.. Non-budgeted expenditure and/or spending of reserves require full Council approval. Council systems are subject to statutory annual internal audit to ensure systems are operating properly and are fully compliant with the Fidelity Guarantee requirements. External audit requirements are met annually	Existing controls and procedures adequate if implemented properly by all staff.

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Purchasing and payment invoicing	Goods not covered by formal order. Goods not supplied but billed. Incorrect invoicing.	High	Low	The Council has Financial Regulations which set out the requirements for the purchasing goods and services which should be observed by all staff. Two Councillors carry out these checks on all invoices paid. Associated paperwork is checked.	Existing controls and procedures adequate if implemented properly.
Grants and support - payable	Improper use of funds granted to local bodies i.e. no power to make grant or grant not properly authorised by Council.	Low	Low	Applicant completes an application form and is requested to supply set of accounts plus additional documentation for charitable events. All such grant applications go through the required Council process of approval, minuting and listing accordingly if a payment is made using the S137 power of expenditure.	Existing controls and procedures adequate if implemented properly, All application conditions need to be rigorously applied consistently to avoid external challenge.
Grants - receivable	Failure to obtain available grants	Low	Medium	The Parish Council does not presently apply for or receive any regular grants. One off grants, The Clerk/RFO is responsible for identifying and processing potential grant applications, subject to approval by the Council.	Procedure to apply for a grant would need to be established if or when required.
Ordering and invoicing	Best value not achieved Work awarded Incorrectly Incorrect invoicing and loss of income Overspend on services	Low	Low	Parish Council practice would be to obtain best value by seeking, if possible, three quotations for any substantial work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council. This is covered in the Financial Regulations which should be followed by all staff and reviewed annually.	Continue to review Financial Regulations annually.

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Employer liability	Employee terms and conditions unlawful or in need of review	Low	Low	All staff have written contracts of employment. Employment policies and Staff Handbook in place and reviewed periodically. Membership of HAPTC and professional HR support and legal advice obtained as necessary. Staff provided with relevant training and technical support, as required to undertake the role.	Existing controls and procedures adequate if implemented properly. Monitor working conditions, health and safety requirements and Insurance at least annually.
Employee salaries and associated costs	Salary paid incorrectly e.g. wrong hours/rate paid False employees on payroll Non-compliance with Inland Revenue requirements Incorrect or unpaid Tax and/or NI contributions to HMRC	Low Low	Low Low	The Parish Council authorises the appointment of all employees. Staff have written contracts of employment and job descriptions. Salary rates are agreed annually by Council and applied from 1 April each year and in line with NJC salary awards. Real time PAYE implemented. Monthly salary payments submitted by Clerk to external payroll bureau (IRIS) who produce tax calculations and payslips monthly following salary detail return provided by the Clerk/RFO together with a schedule of payments to HMRC (for Tax and NI). Pension contributions are calculated by the external payroll bureau and submitted to NEST by the Clerk/RFO.	Contract with payroll bureau used for payroll services to be reviewed periodically.
	Misconduct or poor performance including fraud by staff	Low	Low	Disciplinary and capability procedures in place which must be followed in all cases and the requirements of the Fidelity Guarantee insurance to be adhered to with regards to fraud.	

Health and safety liability	Risk to health and safety of staff, volunteers, the public who access Council equipment/property and visitors	Low	Low	Full Health and Safety Policy maintained and reviewed and necessary arrangements in place. Risk assessments for all activities in place and available to staff and reviewed regularly or when new activities or changes occur. Fire risk assessment undertaken and monitored. Fire alarms and fire safety equipment provided at Council Offices and serviced under contract with provider. Lone working policy in place and recent staff divergence from implementing this policy dealt with through the disciplinary procedure. Personal Protective Equipment (PPE) provided to staff where appropriate. First aid training provided to designated staff. Independent Health and Safety Consultancy used for advice and support. Periodic health and safety audit undertaken and any necessary action taken Contractors health and safety policies and practices assessed and monitored. Contractors complete Pre-Qualification assessment and onsite controls monitored. CCTV installed at Council Offices and key Council sites and locations. Alarm system and security door entry system installed at Council Offices. Keyholder service in place for out-of-hours alarm call outs. Health and safety training provided for staff and available to Members. Safety inspections of play equipment, assets and village signs.	Existing controls and procedures adequate if implemented properly by the Clerk and staff.

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Councillor allowances	Councillors overpaid Incorrect income tax deduction	Low	Low	No allowances are currently claimed by Parish Councillors.	No procedure required at present.
Election costs	Risk of - unlawful and extra election costs	Low	Low	Risk is higher in an election year, but on recent history there is a risk that an election is called for any casual Council vacancies. When a scheduled election is due the Clerk will obtain an estimate of costs from Welwyn Hatfield Borough Council for a full election and/or an uncontested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. The Council has a contingency budget each year in case of elections and will budget for the costs in an election year.	Existing controls and procedures adequate if implemented properly. Council will either Precept a larger amount in an Election Year to cover estimated costs or set aside ear marked reserves.
VAT	Non-compliance with HMRC VAT Regulations and errors with VAT reclaiming and/or charging leading to loss.	Low	Low	The Parish Council has Financial Regulations which set out the requirements which need to be observed. VAT must be correctly charged and reclaimed quarterly in arrears by the Clerk/RFO in accordance with the required timeframe.	Existing controls and procedures adequate if implemented properly.
Employers PAYE Annual Return	Incorrectly calculating, Paying and accounting for NI and income tax of salaries	Low	Low	Employer's Annual PAYE Return is completed by the payroll bureau under their remit, reviewed by the Clerk and submitted online by the legal deadline.	Existing controls and procedures adequate if implemented properly.

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Internal and external audit	Failure to arrange annual internal and external audit and ensure completion within time Limits	Low	Low	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents by the Clerk/RFO for the annual audit and the form to complete and sign for subsequent submission to the External Auditor. Procedures and timeframe are all covered in the 'Review of Effectiveness of the System of Internal Audit' which are observed by the Clerk/RFO and the Council and which is reviewed annually.	Existing controls and procedures adequate if implemented properly.
Annual Governance Return and Accounting Statement	Failure to complete or submit within time limits	Low	Low	Annual Governance Return and Accounting Statement is completed by the Clerk/RFO, presented to the Council and signed by the Clerk/RFO and Chairman on behalf of the Council. They are submitted to the internal auditor for their review as part of the annual internal audit and form part of the annual external audit process within the time limit.	Existing procedures adequate if implemented properly.
Legal liabilities	Ensuring all Council activities are within its legal powers, there is no Illegal activity and incorrect payments are not made.	Low	Low	Qualified Clerk with CiLCA in post. Clerk/RFO advises on legal position and implications of all existing and proposed activities to ensure that all activity and payments are within the powers of the Parish Council. All decisions are in accordance with the Council's Financial Regulations and/or Standing Orders. Council membership of NALC, HAPTC and the Clerk's support as member of SLCC enables the Council to obtain appropriate support and advice under normal circumstances.	Existing controls and procedures adequate if implemented properly.

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Preparation of agendas, minutes/ agendas/ notices and statutory documents	Preparation of Agendas and minutes not meeting legal requirements and obligations; or leads to the dissemination of inaccurate information that adversely affects the conduct of Council business.	Low	Low	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to the legal requirements and are available to the public on the Council website, on Council Notice Boards and/or on request from the Council Offices. Business is conducted at Council meetings that are open to the public and managed by the Chair in accordance with the Council's Standing Orders. Public informed of news-worthy matters through press releases to local media or on Council website.	Existing controls and procedures adequate if implemented properly. Guidance/training to Members is available (HAPTC) and provided to Councillors' (if required). Members required to adhere to Code of Conduct.
Councillor propriety and Members' interests	Conflicts of interest Failure by Members to register Interests, gifts and hospitality	Medium	Low	Register of Councillor Interests maintained and reviewed annually or as necessary by Councillors. Gifts and hospitality for Members and staff to be declared and recorded in Register. Original documents held by Parish Council with copy to Monitoring Officer at Borough Council., Declaring interests by Members an Agenda item at all meetings and Members must declare interests at all meetings Code of Conduct adopted by the Parish Council.	Existing controls and procedures adequate if implemented properly. Members have responsibility for updating their Register and declaring interests.

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Insurance cover	Inadequate insurance cover or best value not achieved leading to loss.	Low	Low	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Public liability insurance is a necessity and must be paid for. Ensure compliance measures are in place. Ensure Fidelity checks are in place. Public Liability insurance cover of £10m, Employer Liability insurance cover of £10m, Fidelity guarantee insurance cover of £1m, Business interruption insurance cover of £500,000 all in place and reviewed annually.	Existing controls and procedures adequate if implemented properly. Review insurance provision Annually to obtain best value and compliance with adequacy of cover.
Data protection	Claims from public for breach of Data Protection Act and General Data Protection Regulations.	Low	Low	The Council is registered with the Information Commission. Action taken in accordance with the General Data Protection Regulations 2018 with new Privacy and Data Protection Policies implemented. The Clerk is designated as the Officer responsible for data protection.	Ensure annual renewal of registration with Information Commission.
Freedom of Information Act requests	Failure to respond to Freedom of Information Act requests in accordance with legal obligations.	Low	Low	The Council has a model publication scheme for Local Councils in place and the Clerk is responsible investigating requests and preparing responses. The Clerk is aware that if a substantial request arrives then this may require hours of additional work. The Council is able to request a fee if the work will take more than 18 hours but the applicant also has the right to narrow the request negating the payment of a fee.	Existing procedures adequate if implemented properly. Monitor and report any impacts of requests made under the Freedom of Information Act. .

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Physical assets	Protection of assets from e.g. loss or damage Risk of damage to third party/property Security of buildings and equipment at all locations	Medium	Low	An annual review of assets register is undertaken to ensure accuracy for insurance renewal, yearend accounts, storage and maintenance provisions. Insurance cover reviewed annually. Regular maintenance of physical assets. Annual portable appliance tests, independent annual fire equipment checks, regular fire alarm tests and security alarm service contract in place. Annual review of risk and insurance cover and due diligence undertaken of insurance providers. Regular inspections of Council property including buildings, play equipment, notice boards, street furniture etc. Alarm systems, panic button, front door entry controls, key holder arrangements in place at all relevant locations and all covered by annual maintenance contract. Alarms tested regularly under service contract. CCTV coverage of Council Offices, car park and KGV play area.	Asset register to be agreed, updated as necessary and reviewed annually in accordance with Internal Audit suggestions.
Maintenance of assets, buildings and equipment	Poor performance of assets or amenities	Low	Low	All assets owned by the Parish Council are regularly reviewed and maintained on an ad hoc basis and/or by annual inspection by designated Members and Council advised of the outcome for action and/or future planning and budget purposes. All assets maintained either by maintenance contract or on ad hoc basis as required. Electrical	Existing controls and procedures adequate if implemented properly. Ensure planned and periodic building

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	Risk to staff and third parties causing Loss of income and/or additional cost for the Council	Medium	Low	Compliance Certificate maintained and PAT testing undertaken of portable appliances. Rolling replacement and inspection programme for equipment including grounds maintenance equipment required. All repairs and relevant expenditure for the repairs and/or replacement are actioned/authorised in accordance with the correct procedures of the Parish Council. All assets are insured and reviewed annually as set out above. Petrol for mowers is stored under lock and key at two sites at KGV, but away from the public. However there is no special provision for its safekeeping (fireproof cabinet for example) which increases the risk of harm.	inspections carried out and outcomes reported to the Council. All identified repairs and maintenance works carried out as soon as possible. Risk currently under review, with a view to action being taken to reduce risk to low.
Notice boards	Need for repair Risk/damage/injury to third parties	Medium	Low	Notice boards	Need for repair Risk/damage/injury to third parties Roadside safety
Street Furniture, flower beds etc	Need for repair Risk/damage/injury to third parties	Low	Low	All reports of damage or faults are dealt with by the Clerk.	Existing controls and procedures adequate if implemented properly.
Meeting locations	Adequacy of facilities and health and safety of staff and members of the public	Low	Low	Parish Council Meetings are held in either the Cuffley Hall or the Parish Office Space. These premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from health & safety and comfort aspects.	Existing controls and procedures adequate if implemented properly.

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Document control – legal liability	Loss through theft, fire or damage	Low	Low	Legal documents and key paper records are stored in metal filing cabinets in the Council Offices. All Council owned land and buildings registered at Land Registry. Archiving of old and important records is carried out regularly.	Since the office refurbishment the storage of documentation has been compliant
Council records electronic.	Loss through inadequate backup of key electronic data resulting from theft, fire, damage, illegal access			Public documents are made available on the Council website. The Council Website is regularly backed up on a portable hard drive and also stored remotely by the dedicated IT support for the site. All data held is in accordance with the Data Protection Act and the General Data Protection Regulations as shown above.	Electronic documents are held in an optimum back-up GDPR proof solution and ensure business continuity is fully protected.

Reviewed and Approved at meeting of the Full Parish Council held on 16th July 2025 Item 25c for review in 2026/27

Signed by:  **Date: 10th March 2025**

Name: L Peters

Clerk/RFO on behalf of Northaw and Cuffley Parish Council