



**Jane Austin**  
Executive Officer

Moulton Parish Council  
Moulton Community Centre - Sandy Hill  
Reedings, Moulton, Northants, NN3 7AX  
**t: 01604 642202**  
**e:** [info@moultonnorthants-pc.gov.uk](mailto:info@moultonnorthants-pc.gov.uk)  
**w:** [www.moultonnorthants-pc.gov.uk](http://www.moultonnorthants-pc.gov.uk)

## Financial Risk Assessment

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

Risk Rating – Green = Low Risk / Amber = Medium Risk / Red = High Risk

Subject	Risk(s) Identified	Risk Rating	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate Precept	Green	To determine the precept required, the RFO examines the current financial year's accounts together with the projected year end accounts, and considers all expenditure and income required for the next financial year. The draft budget is presented to the Finance & HR Committee to enable a recommendation to be made to full council to make an informed decision and subsequent approval of such. The RFO then submits the Precept form to West Northamptonshire Council for processing and payment.	The procedures in place are adequate and are reviewed annually.
Precept	Precept not paid by Local Authority	Green	The RFO checks the bank account in April and again in September, to ensure the half yearly precept payments have been made by WNC. If a payment has not been made, the RFO contacts WNC and requests them to make the payment.	The procedures in place are adequate and are reviewed annually.

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Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations		The RFO and council follow the Financial Regulations as set out by NCALC, which have been revised and adopted by the council. These are reviewed annually by the RFO and council and adopted at the January Full Council Meeting.	Current Financial Regulations are adequate and adopted by council.
Standing Orders	Not adhering to policy and procedures as set out in the Standing Orders		The RFO and council follow the Standing Orders as set out by NCALC, which have been revised and adopted by the council. These are reviewed annually by the RFO and council and adopted at the January Full Council Meeting.	Current Standing Orders are adequate and adopted by council.
Bank Records & Banking	Banking / Financial Errors		All items of income and expenditure are cross-referenced against the bank statements and a monthly reconciliation report created for Finance & HR Committee. Both records are examined and authorised monthly by the Internal Controller quarterly.	Current procedure adequate.
Bank Records & Banking	Loss through theft and dishonesty		All payments are made by previously agreed direct debit payments or authorisation at meetings followed by a dual authorised BACS payment by the RFO and Finance & HR Manager. The council is also covered by a Fidelity Guarantee of £680k within the annual insurance policy.	Current procedure and insurance adequate.
Electronic Payments (BACS)	Payments made without council approval		All BACS payments are approved by council prior to the payment being made. If a payment needs to be made outside of the meeting, approval is sought from the Chairman of the Finance & HR Committee, with the decision and payment ratified at the next available council meeting.	Reviewed annually.
Electronic Payments (BACS)	Incorrect electronic payment or amount made / No monitor on actual electronic entry		Council uses Barclays Bank online "dual authorisation" facility, which automatically requires that payments made from the account must be authorised by a second approver before being released to the payee. The inputter and the approver both check the electronic entry to ensure that it matches the approval list from the meeting.	Reviewed annually.
Financial/Account Records	Inadequate Records		All income and expenditure is entered into the Omega accounting system and monthly reports are produced for checking by the Finance & HR Committee. Regular back-ups of the accounting software are undertaken. All finance procedures are subject to an internal audit, carried out by the NCALC internal audit service, before being submitted to the External Auditor for external audit.	Reviewed annually.
Grants Awarded to Council	Not receiving grant funding when successfully applied for		The RFO is to ensure that all grant payments are made to the council according to the terms of the grant and at the correct time, following up with the individual local authority and/or organisation if they are not.	Reviewed annually.

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Grants Awarded by Council	Not following the grant claims procedure		The RFO ensures the Grants Policy is adhered to and that all qualifying organisations are notified of the claim process annually. The RFO also ensures there is a power to pay such grants before presenting the grant application to council for approval.	Reviewed annually.
Grants Awarded by Council	Grant payments		The RFO ensures that all annual grants are budgeted for and a schedule of such payments kept for audit purposes and future budgeting. Payment is made in accordance with the Grants policy.	Reviewed annually.
Cash	Loss through theft and dishonesty		No petty cash is held by the RFO or council members. Any sundry items are to be purchased using the council credit card as per procedure outlined in the Financial Regulations, or by the RFO personally and claimed back via expenses against receipts held.	N/A Current procedure adequate. Reviewed annually.
Credit Card	Incorrect use		Use of the credit card will be in line with Financial Regulation 10 and the Credit Card Policy.	Reviewed annually.
Borrowing	Ability to repay any loans		The RFO ensures that appropriate cash-flow forecasting is completed as and when required, and annually, the RFO completes affordability check calculations. A report is presented to council by the RFO before any loans are applied for.	Reviewed as and when finance is required for a particular project not covered by the Precept and at budget time.
Best Value	Charges made on the parish council are too high		The RFO should obtain, where possible, at least 2 estimates/quotations for any work undertaken by contractors on behalf of the council and for any major expenditure, as set out in the Financial Regulations. All estimates/quotations are then agreed and approved by full council and minuted accordingly.	Current procedure is adequate.
Financial Reporting	Insufficient information		The Finance & HR Committee reviews and authorises all financial records. All income and expenditure are presented at parish council meetings on the meeting Agenda, along with the balances of all parish council bank accounts. Each month the RFO circulates a Financial Report to the Finance & HR Committee, outlining income and expenditure against budget and highlighting main points in a commentary. All income and expenditure are also entered into the Omega accounting system against the correct cost code. The RFO ensures that all VAT returns are made in a timely manner and recorded in the cashbook. All accounts are available for public inspection.	Current procedure is adequate. The cashbook (budget) is reported on monthly and reviewed by the Finance & HR Committee.

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Audits	Annual Audit is not completed within the set deadline		The RFO prepares the year end accounts statement and Annual Governance and Accountability Return for the NCALC Internal Auditor to review in April. Once the accounts have been audited and the Internal Audit Report submitted to council, along with all audit papers the Annual Governance and Accountability Return, they are then approved at the Annual Meetings in May. Once all documentation has been approved by council, it is then submitted to the External Auditor for review.	Current procedure adequate. All documentation is submitted to Finance & HR Committee to be scrutinised before recommending approval at the Annual Council Meeting in May.
Audits	Annual Audit is not advertised		The RFO ensures 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.
Invoices	Goods not supplied but billed		Invoices are only paid after the service or goods have been received to the council' satisfaction, and only after full council have approved them.	Current procedure is adequate.
Invoices	Incorrect invoicing		All requests/orders for goods and services are confirmed in writing by the RFO, to agree all costs involved. The RFO checks all invoices received for accuracy and ensures all information is entered into the Cashbook.	Current procedure is adequate.
Invoices	Unpaid invoices		Any unpaid invoices will be followed up by the RFO as part of month end routines.	Current procedure is adequate.
Freedom of Information Act	Non-compliance with the Model Publication Scheme		Information and documentation is made available on the parish council website, in order to comply with the Model Publication Scheme.	Current procedure is adequate.
Salaries	Salary and expenses paid incorrectly		Full council approves all presented figures at the monthly meetings, which is recorded in the minutes. An approved payroll software package is used for all salaries.	Current procedures are adequate.
Salaries	Incorrect NI & Tax deductions and Pension contributions		To ensure accuracy of salary and tax/NI payments/contributions, an approved payroll software package is used for all salaries.	Current procedures are adequate.
Data Protection	Non-compliance with Data Protection Legislation		Moulton Parish Council is registered with ICO the UK Data Protection Agency and is governed by their rules. Moulton Parish Council have also adopted policies and procedures concerning the 2018 General Data Protection Regulations and employs Northants CALC as its Data Controller.	Reviewed annually, therefore current procedure is adequate.  Service is renewed annually.
Insurance	Inadequate Cover		An annual review is undertaken prior to the renewal of the insurance policy.	Current procedure adequate.

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Insurance	Fidelity Guarantee		The amount is reviewed annually to ensure insurance cover is sufficient for the council's needs.	Current procedure adequate.
Insurance	Public Liability		The parish council maintains insurance cover in all areas. Any play equipment owned and managed by Moulton Parish Council is internally inspected weekly and an annual inspection takes place by an external ROSPA qualified inspector.	Current procedure adequate.
Insurance	Personal Accident		All council members, employees and/or volunteers of the parish council are covered under the personal accident plan of the insurance policy. Risk Assessments are undertaken for any major events and the insurance company notified.	Current procedure adequate.
Insurance	Cost		Three quotations are obtained when it is time to renew insurance cover and are presented to council for it to decide which to accept. The council are currently committed to a Three Year Long Term Agreement.	Current procedure adequate.
Physical Assets	Loss or damage		An annual review is conducted for insurance, storage, and maintenance purposes.	The Asset Register is updated when necessary with a full review conducted annually.
Financial Assets	Land rent not paid or rent income not received		The RFO is to ensure that all rent income and expenditure is paid in a timely manner and recorded within the budget.	All rent payments and income are reviewed annually.
Financial Assets	Adequacy of Reserves		Considered by council annually at budget setting in November/December and minuted.	Reviewed annually.

**This policy is reviewed annually by the Executive Officer and submitted to the full council for approval.**

**Last Reviewed: January 2025**

**Review Due: January 2026**