



NORTHAM TOWN COUNCIL FINANCE RISK ASSESSMENT

Adopted by Northam Town Council on TBC

Version	Date	Note	Drafted by
V0.1	30 th May 2025	First draft for review by the Finance & HR committee 11 th June 2025	Town Clerk & RFO

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Finance and Management

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Review/Assess/Revise
Business Continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	All files and recent records are kept at the Town Hall and electronic files are backed up by the Council's IT provider. In the event of the Clerk being indisposed the Council's other staff would undertake the day-to-day tasks. For additional support the Mayor would	Existing procedures are adequate. Review when necessary.
Precept	Not paid by Billing Authority Adequacy of precept Not submitted to Billing Authority	L L L	The Council reviews the Precept requirement annually in, starting in November. This process reviews the presented budget update information, including actual position and projected position to year end and estimated figures for the next two financial years. With this information the Council then agrees to the amounts set for the specific budget headings for the following year, the total of which is resolved to be the precept amount to be requested from the Billing Authority. This figure is submitted by the Clerk in writing to the Billing Authority by the advised date. The Clerk informs Council when the monies are received (approx. April & September).	Existing procedures are adequate.
Financial records	Inadequate records Financial irregularities	L L	The Council has Financial Regulations that set out the requirements.	Existing procedures are adequate. Review the Financial Regulations annually and revise if necessary.
Bank and banking	Inadequate checks Bank mistakes Loss Charges	L L L L	The Council has Financial Regulations, based on the NALC template, that sets out the requirements for banking, electronic payments, cheques and reconciliation of accounts.	Existing procedures are adequate. Review the Financial Regulations and bank signatory list annually and after an election. Monitor the bank statements and reconcile at least monthly.

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			The Clerk reviews the Councils banking arrangements regularly.	
Cash	Loss through theft or dishonesty	L	The Council has Financial Regulations that set out the requirements. Cash received is banked as appropriate. Petty Cash is held at an approximate £100 level and all payments from it are matched to a receipt, checked by the Town Clerk. The Council's insurance policy has a Fidelity Guarantee.	Existing procedure adequate. Review the Financial Regulations when necessary. Ensure Fidelity Insurance is adequate.
Debit Card	Overspend	L	Limited users: Clerk and Finance Assistant. Maximum spending limit is set in Financial Regulations. Oversight of spending by Clerk. All spending reported as part of reconciliation exercise monthly.	Existing procedures are adequate.
Fuel Cards	Irregular spending	L	Fuel may only be dispensed to named card holder for specified vehicles. Reduced number of fuel-using tools and vehicles minimises visits to filling station.	Existing procedures are adequate.
Reporting and auditing	Information communication Compliance	L M	A budget monitoring statement is produced before each Council meeting with the agenda and discussed and approved at the meeting. A full list of payments and receipts is provided at the meeting and the financial records including a breakdown of receipts and payments balanced against the bank statements are presented and checked by the Council at each appropriate meeting. Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing communication procedures adequate. Council annually to appoint a Councillor to check financial records for Fidelity compliance
Direct Costs Overhead expenses	Goods not supplied but billed Incorrect invoicing	L L	The Council has Financial Regulations that set out the requirements.	Existing procedure adequate. Review the Financial Regulations when

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Debts	Incorrect payee	L	Weekly, list of invoices awaiting approval is raised by the Finance assistant for checking and approval by the Town Clerk & RFO. The Council has minimal stocks, these are checked and monitored by the relevant and responsible Officer of the Council. Unpaid invoices to the Council are followed up by the Finance Assistant.	necessary.
	Loss of stock	L		
	Unpaid invoices	L		
Grants and support to community	Power to pay (S137 or Power of Competence) Approval of Council to pay	L	All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using S137 powers. If appropriate, the Council resolves to declare the general power of competence at its Annual Meeting.	Existing procedure adequate. The Town Clerk advises the members as to the S137 rules annually and as required. Town Clerk to be qualified at or as soon as practicably possible after employment.
Grants received	Receipts of Grant	L	The Council receives an annual grant from Devon County Council towards maintaining the highway verges. Receipt is reported to the Council at an appropriate meeting and included in the budget. Any one-off grants awarded would come with terms and conditions to be satisfied.	Existing procedures adequate.
Rentals receivable	Receipt of lease and /or rentals Insurance implication	M	The Council has one longstanding lease agreement, for the carpark adjacent to the Seagate Hotel, with the Seagate Hotel. The lease holder is due to meet insurance costs. Ensure payment and copy of insurance document received. The Council holds the title for the Blue Lights Hall, Appledore but does not have a formal lease in place. The Council insures the building structure. The Council rents allotments, gig storage and boat park spaces. Each is subject to an annually-reviewable rental agreement.	Existing procedures adequate. Reconcile to budget Reconcile to receipts Monitor remainder of lease(s) and review as appropriate

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Rentals payable	Payments of leases and rentals Insurance implication	M	The Parish Council holds occupation leases or licences for a number of offices and storage spaces at the Town Hall, in Northam. The Council pays a proportion of the insurance costs as a re-charge. The Council has a temporary licence to occupy land at the Village Green in Westward Ho!, for the siting of benches – this is at no cost to the Council.	Existing procedures adequate. Reconcile to budget Reconcile to payments
Best value	Work awarded incorrectly Overspend on services	L M	As described in the Financial Regulations, normal Town Council practice would be to seek, if possible, more than one quotation 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.	Existing procedure adequate. Review Financial Regulations regularly.
Town Clerk Other staff, including voluntary and casual	Loss of Clerk Fraud Actions undertaken Health & Safety	L L L L	The Council has sufficient reserves to enable training for the CiLCA qualification in the event of the Town Clerk resigning. The requirements of the Fidelity Guarantee insurance, as described in the Council's insurance schedule, are to be adhered to with regards to Fraud. The Town Clerk and other relevant staff should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. This is to be included in the budget when setting precept.	Existing procedure adequate. Purchase reference books where necessary. Membership of the SLCC for the Town Clerk and relevant senior staff. Monitor working conditions, safety requirements and insurance regularly.
Salaries and associated Costs	Salary applied incorrectly to a job role Salary paid incorrectly Wrong hours paid	L M L	The Council authorises the appointment of all employees at Council meetings. Salary rates are assessed annually by the Council and increments approved applied on 1st April each year. Salary is paid monthly by bank transfer to staff. A payroll information sheet is approved at the	Existing appointment is adequate. The Council has engaged a payroll provider to administer payroll services. The Council does not

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	Wrong rate paid False employee	L L	appropriate committee meeting, which includes overtime paid a month in arrears.	have a standing order to cover basic monthly salaries; absence of Town Clerk and/or Finance Assistant could mean salaries are not paid or not paid correctly.
	Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue	L L	The Tax, NI and employer pension contributions due are reported to the Council as part of the bank reconciliation. Tax, NI and pension are paid by the Council as advised by its payroll provider.	
Councillor allowances	Councillors over-paid Income tax deduction	L L	Councillor allowances for the civic year are agreed at the Annual Meeting of the Council in May and payment is made through the Council's payroll provider in June. Any travel or subsistence expenses incurred as part of a Councillor's duties, such as attending training events, is payable according to the Financial Regulations. Expenses are monitored to ensure the budget is not exceeded and expenditure reported to the Town Council along with other spending.	Existing procedure adequate. Review allowances annually as part of budget setting, confirming the level at the Annual Meeting of the Council.
	Non-repayment of allowances	M	Should a Councillor resign, become disqualified or otherwise lose their Office/seat before the end of a Civic Year (1 st May to 30 th April), the allowance is applied pro-rata and a repayment requested. Term-0based repayments by instalment may be applied.	Review the debtor situation annually, the outcome to be agreed at an appropriate meeting.
Election costs	Risk of an election cost	M	Risk is higher in an election year. The Town Council must make provision by contribution to an Election Reserve Fund. Earmarked reserve to be reviewed annually as part of the budget setting process.	Existing procedure is adequate.
VAT	Re-claiming/charging	L	The Council has Financial Regulations that set out the requirements. The Council's cashbook software provider includes a mechanism for the correct claiming of any VAT owed on a quarterly basis.	Existing procedure adequate
Annual returns	Submit within time limits	L	Employer's Annual Return is completed and submitted online and to the Inland Revenue within	Existing procedures adequate.

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			<p>the prescribed time frame by the Council's payroll provider.</p> <p>AGAR is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within time limit.</p> <p>The scope of the audit is approved by Council.</p>	
Legal powers	Illegal activity	L	<p>All activity within the powers of the Town Council and outside delegated authority are to be resolved and minuted at appropriate meetings.</p> <p>All payments outside specific budget allocation and/or delegated powers are resolved and minuted at appropriate meetings.</p>	<p>All activities minuted.</p> <p>All such payments minuted.</p>
Council records (paper)	Loss through: theft fire flood/water damage	L L L	<p>The Parish Council records are stored at the Council's Offices.</p> <p>Records include historical correspondence, minute books and copies, documents for ownership of property, records such as personnel, insurance, salaries etc.</p> <p>Recent materials and older more historical records are in metal filing cabinets (not fireproof).</p>	Damage and theft are unlikely. Provision adequate.
Council records (electronic)	Loss through: Theft Fire damage Corruption of computer	L L L L	<p>The Parish Council's electronic records are stored on a cloud-based system provided by a third-party specialist in the service provision for this sector.</p>	Existing procedure adequate.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L L	<p>An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for.</p> <p>Ensure compliance measures are in place.</p> <p>Ensure Fidelity checks are in place.</p> <p>Ensure motor policy is adequate for the Council's needs.</p>	<p>Existing procedure adequate.</p> <p>Review insurance provision annually.</p> <p>Review of compliance.</p>

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Data protection Policy	Provision	L	Records are held as described in the Town Council's Data Protection policy. Policies are to be reviewed on a cyclical basis at least every four years. The Council engages its Internal Auditor as Data Controller.	Existing procedure adequate.
Freedom of Information Act	Policy Provision	L L	The Town Council needs has a Publication Scheme based on the model publication scheme for Local Councils in place. The Council is able to request a fee for any information requested to cover the cost of consumables and the Town Clerk's time. The Council engages its Internal Auditor as Data Controller.	Monitor and report any impacts of requests made under the FOI Act.
Meeting location Adequacy	Health & Safety	L	All Town Council, committee and Trustee meetings are normally held at the Council Offices. The premises and the facilities are adequate for the Town Clerk, Councillors and Public who attend from Health & Safety and comfort aspects.	Existing location adequate.

Assets

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Review/Assess/Revise
Play Area Equipment and Open Spaces	Loss or Damage Risk/damage to third parties/property	L L	Internal checks undertaken weekly by trained member of the Council or staff. External checks undertaken by expert body (ROSPA) annually.	Existing procedure adequate. Review insurance requirements annually.

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Street Furniture, Noticeboards	Loss or Damage Risk/damage to third parties/property	L L	The Council has a number of notice boards, benches and other street furniture sited across the Parish. The locations were approved by the relevant party at installation. The items are listed on the asset register, which is reviewed annually and included in the insurance. Items are visually inspected regularly by Council staff, with any significant repairs/maintenance requirements brought to the attention of the Council at an appropriate meeting..	Existing procedure adequate.
	Documents of an inappropriate nature posted.	L	Noticeboard keys held by Town Council staff.	