



Houghton and Wyton Parish Council

Financial Risk Assessment

April 3

2019

Version 1.

"The greatest risk facing a local authority is not being able to deliver the activity or services expected of it. "

This document has been produced to enable the Parish Council to assess the financial 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 and rank them High, Medium or Low. (H,M,L)
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise if required.

Adopted by the Parish
Council at the meeting on
3rd April 2019.
Updated 5 March 2025

To be reviewed March
2026.

					Risk			
					Impact Frequency (H / M / L)		Mitigation	Notes
Item		Sub-item	Description		(H / M / L)	L		
1	Funds							
		a	Adequacy of Precept	Future government restrictions limiting increases to annual precept	L	L	Financial Regulations, Annual Audit	
		b	Grants	Failure to obtain grants, comply with the requirements or grant money committed but not paid.	L	L		
		c	Banking	Bank collapse or bank mistakes (by them or the council)	L	L		
		d	Fraud and Theft	By employees and others	L	M		
		e	Financial procedures	Inadequate records (unable to balance accounts and account for a loss), late billing of goods, over paying for goods, failure to reclaim VAT	L	L		Review bank authorisation procedures
2	Insurance							
		a	Insurance does not cover costs incurred	Various reasons including deductible, items not listed, premium not paid.	L	L	Annual review of policy	Review of Insurance Policy required
					Risk			

						Impact (H / M / L)		
Item	Sub-item	Description	Frequency (H / M / L)	Mitigation	Notes			
3	Assets (Pavilion, trees, playground, graveyard, clock tower, notice boards....)							
	a	Inadequate funding to maintain assets	Reduced funding from District and County Council or rental income, plus failure to make adequate provisions.	M	L	Condition Reports	Condition Reports Needed	
	b	Uninsured costs to repair, repossess assets	Accidents and trespass.	M	M			
	c	Costs to repair damage to third party from our assets	Example tree falling on a property or person plus damage from events held on council assets	M	M		Check actual insurance cover	
	d	Office / Meeting location	Need to find and fund an alternative location	L	M	Keep in touch with current landlord to ensure no surprises		
4	Legal							
	a	Planning legal case	Action taken against or by the council to protect assets or community	L	H	Ensure planning decisions are well documented / supported		
	b	HR legal issue	Discrimination, harassment, Health & Safety	L	H	HR Policies	Need to review HR policies	
				Risk				

				Frequency	Impact			
Item		Sub-item	Description	(H / M / L)	(H / M / L)	Mitigation	Notes	
		c	Action concerning an H&S issue with respect to assets	Action taken against council for H&S issue - possibly due to lack of maintenance, e.g. playground, graveyard	L	H	Condition Reports	Condition Reports Needed
		d	Action taken against council for data protection issue	GDPR increases risk	H	L	GDPR Policy	Review policy
5	Employees and councillors							
		a	Loss of key employee					
				Leading to recruitment costs and possible loss of data, information, knowledge	M	M	Regular meetings with staff	
		b	Financial aspects					
				Incorrect hours claimed, incorrect salary paid, incorrect deductions, incorrect allowances, incorrect expenses	M	L	Financial Regulations	Review for adherence to authorisation of payment policies and confidentiality procedures
6	Council records							
		a	Loss	Lost through theft, fire, accidental damage or software failure	L	L	Ensure regular back up, and that the insurance covers items	Back up policy
		b	Freedom of Information	Unbudgeted costs from requests	L	M	Seek voluntary support from councillors	Request can be refused on cost grounds

					Risk			
Impact								
Item	Sub-item	Description			Frequency (H / M / L)	(H / M / L)	Mitigation	Notes
7	Timebank							
		a	Funding	Additional unbudgeted funds required	M	L	Need to continue proactive action with grant applications	
8	Operations resulting in unexpected costs							
		a	Annual report	Failure to submit annual report in time	L	L	Financial Regulations	