

**WYLAM PARISH COUNCIL**  
**FINANCIAL AND MANAGEMENT RISK ASSESSMENT**

This risk assessment systematically examines the Parish Council’s working practices, enabling the Council to identify all potential risks inherent in its financial and management systems. Based upon a completed assessment, the Council can take the practical and necessary steps specified to control, reduce, or eliminate the risks. The risk assessment enables the Parish Council to assess the risks that it faces and satisfy itself that it has taken all reasonable steps to minimise them. The risk assessment specifies the controls in place and identifies further controls required.

The risk rating balances the likelihood of a given risk with impact of the risk in question and results in an overall risk rating. RED (not acceptable), AMBER (acceptable/action required), GREEN (acceptable/no action required)

This Risk Assessment is produced in accordance with the requirements of Regulation 4 of the Audit and Accounts Regulations 2003, as amended by the 2006 Regulations. It is a working document that is continually reviewed and updated.

Received at the Wylam Parish Council Finance Committee Meeting on 14 August 2024 and to be reviewed at the Wylam Parish Council Ordinary Meeting on 9 September 2024. (Further scheduled reviews to be agreed)

		Likelihood			
		1 Unlikely	2 Possible	3 Probable	4 Highly Probable
Impact	1 Minor	Green	Green	Green	Green
	2 Moderate	Green	Green	Yellow	Yellow
	3 Serious	Green	Yellow	Red	Red
	4 Major	Yellow	Red	Red	Red



FINANCIAL	Impact	Likelihood	Risk Rating	Controls in Place	Additional Controls Required (or for consideration)
Debtors not followed up promptly	1	1	1	Clerk is responsible for following up any invoices they have issued. Filing system in place for unpaid invoices.	
Spending not allocated to correct budget heading, or not committed at the time of approval. At the year end the impact could be significant as committed spending is used to calculate balances	3	2	6	Approval for spending is sought via Council meetings, therefore a minute reference is available.	Is Rialtas able to allow you to allocate funding to committed funds?
Precept Demand Inadequate due to error or reluctance to increase	4	1	4	<p>Prior to the January budget meeting of the full Council the Clerk/RFO will have carried out the following:</p> <ul style="list-style-type: none"> <li>- identified all committed spending expected for the remainder of the year</li> <li>- identified any income expected or accounts unpaid</li> <li>- estimated any income for the remainder of the year</li> <li>- checked all committed spending to ensure nothing is missing</li> </ul> <p>Using the balances available at the start of the year, minus spending + income, the Clerk/RFO can forecast year end balances/reserves.</p> <p>The Council agrees the budget and the required precept based on the forthcoming plans of the Council.</p> <p>Budget and expenditure are monitored monthly.</p> <p>General Reserves and Contingency held.</p>	By having short/medium/long term planning in place, it will allow longer term budget planning.

				Asset Reserve calculated according to lifespan of assets and expected replacement plans.	
Council overspend	3	1	3	<p>Areas of spending are closely monitored by the Clerk/RFO and reported to the full Council monthly.</p> <p>Financial Regulations do not allow spending that is not budgeted for, and spending is limited within these regulations and agreed by a meeting of the Council.</p> <p>The Clerk/RFO ensures that all committed spending is input into the budget, as far as possible, prior to setting the budget in January.</p> <p>General Reserves and Contingency held.</p>	Should it be stipulated that funding drawn down from general reserves is not classed as overspend?
Council overspends because of external salary negotiations	3	1	3	Following updates on salary negotiations (March 2023), minimum budget requirements were moved in employment costs, which were additional to those included at budget setting.	Continue to keep updated on negotiations.
Incomplete or inaccurate financial records	4	1	4	<p>The Clerk/RFO uses the Rialtas accounting system which gives a summary of budget spending.</p> <p>The Council complies with Governance and Accountability for Smaller Authorities in England and has published Financial Regulations.</p>	<p>Two Cllrs to carry out a review of internal controls, as required by audit, at the year end. Results are noted in the Minutes.</p> <p>The internal auditor could carry out an interim review of records, prior to the year end.</p>
Breach of Financial Regulations	4	3	12	<p>The Clerk/RFO has overall responsibility for the financial affairs of the Council and is qualified to advise. All Members and the Clerk are required to comply with Financial Regulations; these are readopted each year. All spending is supported by the appropriate legal power to pay.</p> <p>All payments are pre-approved by Wylam Parish Council or Wylam Parish Council Finance Committee</p>	<p>Members can complete Introduction to Local Council Administration (ILCA) and Financial Introduction to Local Council Administration (FILCA)</p> <p>Financial Regulations to be adopted annually.</p>

Damage/loss/theft of Town Council assets	2	2	4	<p>All assets are listed in a comprehensive asset register and are insured.</p> <p>Repairs are carried out by a local contractor.</p>	<p>Develop an Assets Inspection Policy, inspection regime and Risk Assessment template for assets.</p> <p>Risk of delay in repairs due to availability of local contractor</p>
Grant Funding usage – due diligence	3	2	6	<p>All Grant Aid applications detail why Grant Aid is being requested and include the group constitution.</p> <p>Grant applications are brought to Council for resolved decisions.</p>	<p>Checks increase with new applications. Organisations receiving Annual Grant Funding over £3,000 make regular reports to Town Council meeting. Presentations from those seeking £3,000+</p> <p>Grant Policy to be reviewed annually.</p>
Incorrect VAT claim/Non-compliance	1	1	1	<p>VAT is reclaimed using the cashbook which is produced by Rialtas at the financial year end. VAT is checked by the internal auditor at year end.</p> <p>Councillor Armstrong has completed VAT training for Parish Councils.</p>	<p>Interim internal audit.</p> <p>Clerk to complete VAT training for Parish Councils.</p>
Insurance inadequate	2	2	4	<p>The assets register is reviewed annually as part of the AGAR, and when cashbook purchases are added.</p>	<p>Develop an Assets Inspection Policy, inspection regime and Risk Assessment template for assets.</p> <p>Check the insurable value of assets.</p>
Banking errors	3	1	3	<p>The Council has Financial Regulations setting out the requirements for banking, cheques, and the reconciliation of accounts.</p> <p>Payments go through a 2-stage process, RFO/Councillor and all payments are currently by BACS.</p>	

				Any errors in processing payments are discovered when the bank accounts are reconciled every month. These are dealt with immediately.	
Inadequate reserves and safeguarding reserves for intended purposes	2	1	2	<p>Funds are transferred to support additional work, and additions to the fund are approved as part of the budget process at the start of the financial year.</p> <p>A General Reserve Fund and Earmarked Reserve Fund has been established. Capital projects that are being saved for to be restricted as such in the earmarked reserves and with an unrestricted contingency fund.</p> <p>Proposal for the use of any fund is subject to a resolution by the Full Council, as per standing orders.</p>	<p>Pressure on budgets and to minimise increases in the precept puts pressure on funds held outside of the budget.</p> <p>Draft budget for 2025/26 should include a separate annual resolution approving an Earmarked Reserve for additional works during the financial year.</p>
Excessive underspend at the year end	2	1	2	<p>Planning and prioritising operational plans will maximise spending plans being realised.</p> <p>The Clerk/RFO prepares a review in October for the Finance Committee with recommendations for budget movement.</p> <p>Budget reviews are carried out throughout the year and where it is unlikely that funding allocated will be spent, the Council is asked to consider alternative spending plans.</p>	
Unknown budget costs due to taking on assets or responsibilities without due diligence	4	1	4	<p>The Council should consider working with experienced partners but must protect their own interests.</p> <p>Where asset transfers are expected, a separate Risk Assessment is carried out by the Clerk/RFO.</p>	<p>Clerk to complete training on asset transfers.</p> <p>Risk assessment policy to be reviewed annually.</p> <p>The Clerk seeks professionally indemnified reports on the condition of any assets expected to be transferred, including repairs carried out, in advance of the Council taking a decision.</p>

					<p>The insurance arrangements for any asset transfer are sought directly from the Council's insurer.</p> <p>Ongoing costs are sought in advance of liability transferring.</p> <p>A legal agreement must exist to establish responsibility for an asset.</p> <p>All decisions are taken in the public domain and subject to the usual financial regulations of the Council.</p> <p>The Clerk advises the Council to pay for professional advice whenever necessary, ensuring professional indemnity guarantees.</p> <p>Engage in community consultation prior to taking on assets for which there will be on-going costs and commitments.</p>
Wylam Railway Museum	3	3	9	Closure of Falcon Centre resulting in relocation of Wylam Railway Museum.	<p>Alternative accommodation to be sourced if necessary.</p> <p>Would the Railway Museum EMR funding be adequate to relocate the museum.</p>

Ovingham Joint Burial Committee	3	3	9	Governance and Finance to be reviewed annually by OBC Committee	Risk to Wylam Parish Council due to unexpected spending on Cemetery Lodge, Chapels and Ovingham Cemetery.
<b>GOVERNANCE</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Risk Rating</b>	<b>Controls in Place</b>	<b>Additional Controls Required (or for consideration)</b>
Breach of standing orders	3	3	9	<p>Standing Orders are adopted each year and Cllrs are issued with a copy.</p> <p>Where it is thought that Standing Orders have been breached, external written advice is sought and presented. If the breach is proven, any decisions would be revisited.</p>	<p>New Cllrs to receive an induction.</p> <p>Standing Orders to be adopted annually.</p> <p>Clerk is working towards CiLCA</p>
Members fail to behave in accordance with Code of Conduct	2	1	2	<p>The Code of Conduct is adopted by the Council at the Annual Meeting each year, members are provided with a copy.</p> <p>New Councillors receive an induction.</p> <p>Cllrs can attend training for Councillors on Code of Conduct and Behaviour in Public Office.</p> <p>All Cllrs sign a declaration of acceptance of office, which includes the Code of Conduct.</p> <p>Cllrs and members of the public are advised that Code of Conduct Complaints should be made to the Monitoring Officer. As a result, sanctions for failure to comply are out of the Council's control.</p> <p>Council has adopted a social media policy.</p>	<p>Consider further training on Civility &amp; respect and signing up to pledge.</p> <p>Code of Conduct to be adopted annually.</p>

Agenda not issued/published correctly	2	1	2	<p>Agendas for all Parish Council full and committee meetings are published on the Parish Council website and issued to members three clear days in advance.</p> <p>Agendas are agreed with the chair prior to publication.</p> <p>All meetings of the Council are held in accordance with the law, and proper practice.</p> <p>Terms of reference are agreed for all additional meetings/groups/committees.</p>	Terms of Reference for Finance Committee and working groups to be reviewed annually.
Conflict of interest not declared or dealt with appropriately	3	2	6	<p>All members complete a declaration of interests form at the outset of the political term.</p> <p>'Declarations of interest' is the second item on every agenda which acts as a reminder.</p>	<p>Members to review their DOI to annually.</p> <p>Policy to be reviewed annually.</p>
Council meeting not quorate or not minuted properly	3	1	3	<p>Attendance recorded as part of minute taking to evidence quorum. Where quorum is not achieved, Clerk would declare the meeting could not take place.</p> <p>Minutes are published on TC website as required.</p>	
'Best value' principles and accountability	3	1	3	<p>Specifications for works or supply of goods is drawn up by the Clerk in accordance with the Parish Council regulations. With advice from Voluntary Tree Warden in relation to Parish Council tree work</p> <p>Model Financial Regulations have been adopted.</p>	Model Financial Regulations to be reviewed annually.
<b>STAFFING</b>					
	<b>Impact</b>	<b>Likelihood</b>	<b>Risk Rating</b>	<b>Controls in Place</b>	<b>Additional Controls Required (or for consideration)</b>
Capacity issues	4	4	16	Increase in hours of Clerk, and an out of office when the Clerk is not working.	



				Clerk works flexibly to allow for urgent issues to be followed up.	
Inadequate training	2	2	4	<p>Members are responsible for their own development and are sent training opportunities via NALC, NCC and other local training providers.</p> <p>Clerk can source training elsewhere according to the needs of members.</p> <p>Clerk is following a programme of continuing professional development.</p> <p>Training &amp; Development ongoing. Annual Reviews of staff. Staff have record of training and development plans.</p>	<p>Record Members training and seek training where required.</p> <p>Little training is available locally, consider collaborative approach with neighbouring Councils.</p> <p>Clerk is working towards CiLCA qualification. Should Councillors complete ILCA and FILCA</p>
Lone Working	3	2	6	<p>Institute is not secure. Office can be locked when Clerk is lone working.</p> <p>Lone Worker out on site, ensures personal safety with a risk-assessed approach to working. Mobile phones used.</p>	
<b>HEALTH &amp; SAFETY &amp; LEGAL</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Risk Rating</b>	<b>Controls in Place</b>	<b>Additional Controls Required (or for consideration)</b>
Members of the public, staff or Cllrs injured, at WPC office, event or on land owned by the Council	3	2	6	<p>Public and employer's liability insurance in place which covers Cllrs and volunteers at events. Risk assessments are carried out for all PC events.</p> <p>Flood Plan includes a risk assessment.</p>	<p>All staff and members to be made aware of their health and safety responsibilities.</p> <p>Health and Safety Policy to be reviewed annually.</p> <p>Inspection Regime and RA policy, for all assets and events.</p>

					External contractors at events to show PLI when working for Parish Council.
Members of the public, staff or Cllrs suffer loss because of negligent behaviour on the part of the Council	3	2	6	<p>Risk Assessment carried out for all potential activity/decision making or as issues arise.</p> <p>Advice is always sought from suitably qualified professionals, with professional indemnity.</p> <p>Insurance made aware of any potential claim at the earliest opportunity.</p>	Health & Safety Policy to be reviewed annually.
Health, Safety and Welfare of staff	3	2	6	<p>Ergonomic considerations are considered in regards office space.</p> <p>Uniform and PPE provided, as required.</p> <p>Flexible approach to working hours and annual leave.</p>	<p>Emergency contact forms to be held by the Clerk for the Handyman.</p> <p>Emergency contact forms to be held by the Chair for the Clerk.</p> <p>Staff to be advised of employer's obligation to pay for eye test and glasses if required for screen work, or to do job.</p>
Health & Safety, and liability risk due to taking on assets without due diligence	4	1	4	(See identical financial risk above)	

Loss of data	3	2	6	<p>All systems are securely backed up.</p> <p>Due to compliance, a wealth of PC information is available on-line and therefore is uploaded onto the Town Council website.</p> <p>Signed paper copies of all TC minutes are held on file.</p>	<p>Data Retention Policy to be updated annually.</p> <p>Parish Council to move website and email to gov.uk for added security.</p>
Excessive Freedom of Information Act (FOIA) Requests	3	2	6	<p>In view of the information available on the website, minimal additional information is likely to be requested. Frequent requesters could be referred to website.</p>	<p>Model publication code to be reviewed annually.</p> <p>Vexatious Policy to be reviewed annually.</p> <p>Transparency code to be reviewed annually.</p> <p>Policies to be available on the Parish Council website.</p>
Breach of data protection	4	2	8	<p>Town Council specific email addresses are available for all Councillors.</p> <p>Councillors to only use the Parish Council email address for Parish Council work.</p>	<p>Data Protection policy to be adopted annually.</p> <p>Councillors using multiple and personal emails which would all need to be declared if DOI received.</p> <p>Gov.uk email to be set up to</p>
Breach of data protection by Wylam Parish Council working groups	3	2	6	<p>Current controls are unknown.</p>	<p>Confirm use of data with members of Parish Council Working Groups.</p>

Safeguarding issues on allotment sites and grant recipients.	3	2	6	Grant Aid recipients to share their own safeguarding policy of young people and children.	All staff to receive training in safeguarding.  Do we have a safeguarding policy?  All staff and Cllrs to be aware of Safeguarding Procedure  Allotment Sites Safeguarding to be included in Council's Safeguarding procedure?
Claim of statutory nuisance in respect of fires on allotments.	3	2	6	Allotment Bonfire Rules are in place and enforced by Allotment Association..  Reports of nuisance fires are recorded and investigated.  NCC have the statutory responsibility to investigate complaints of statutory nuisance in the form of smoke.	Be clearer about the interpretation of 'nuisance fire'.  Work with allotment associations and neighbours to allotment sites to tighten the rules to reduce the risk of fires being considered a nuisance.
<b>REPUTATION</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Risk Rating</b>	<b>Controls in Place</b>	<b>Additional Controls required</b>
Adverse press/social media coverage	4	2	8	Public and press welcome to attend Council meetings, all decisions taken in public domain and reported professionally and without bias.  Where controversial Council decisions are taken, Clerk to issue PR as a matter of priority.  Clerk to post Wylam Parish Council posts.  Social Media and Email Policy adopted.	Members to inform Clerk of any negativity on social media so this can be dealt with appropriately.  Cllrs encouraged to share official Parish Council posts rather than posting individual posts regarding Parish Council decisions.

					Social Media and Email Policy to be reviewed annually.
Lack of community engagement	4	1	4	The Council seeks ways to interact with the community via events, and with public meetings.	<p>Surveys Events Annual Report distributed</p> <p>Parish Council office is open one day a week to the public</p> <p>Website is engaging and informative.</p>
Adverse relationship with Northumberland County Council	2	2	4	<p>Regular two way communication with local officers at neighbourhood level and with County Councillors.</p> <p>Issues raised with County Officers via the Parish Council Office.</p> <p>Local Charter reviewed and adopted. Rep on NALC County Committee and Town &amp; Parish Liaison Working Group.</p>	NALC reviewing communication between T&P Councils and County Cllrs.

Reviewed by Wylam Parish Council Finance Committee – 14 August 2024

Reviewed by Wylam Parish Council – 9 September 2024

Date of next review - tbc