

**Melbourn Parish Council
Financial Risk Register 2019-20**

**Doc. No. 4.20
Review date: November 2020**

Risk No.	Description (the risk is that...)	Impact (the impact on MPC would be...)	Likelihood Score (1-3)	Impact Score (1-3)	Risk Rating (High, Medium, Low)	Response (what actions have been taken/are in progress)
F1	Expenditure is incurred without proper legal authority	Potential for complaints, fines, qualified audit report	1	2	Low (2)	Qualified staff. Record of power under which grants are awarded is minuted.
F2	The PC has insufficient General Reserves so is at risk of bankruptcy if Precept is not paid on time	The PC could be at risk of bankruptcy if Precept is not paid on time. Inability to provide services or pay staff salaries and other contractual liabilities	1	3	Medium (3)	MPC holds over 4 months of running costs in reserve and has a policy to build up its reserves to 6 months.
F3	An adequate record of the Council's assets is not maintained	Potential theft or misappropriation of assets Assets could fall into disrepair. Assets may be inadequately insured	1	3	Medium (3)	Full asset register completed 2017/18. New acquisitions and disposals recorded. Periodic inventory checks carried out. Insurance cover linked to asset register.
F4	The PC does not have a maintenance plan so the budget for maintenance will be insufficient The PC has insufficient money ring-fenced in Maintenance Reserves	Assets could fall into disrepair. Potential H&S concerns as well as adverse service delivery and rental income impact.	2	3	High (6)	Full asset register now in place. Immediate maintenance requirements included in precept. Maintenance Committee prioritise and monitor spend. MPC to build up Asset Management Reserve and include adequate maintenance spend in budgets. MPC to link asset maintenance and renewal budget to asset register (Action).

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F5	Money is lost through theft/misappropriation	Funding shortfall Adverse publicity	1	1	Low (1)	Limited cash held. Cash banked promptly. Controls over dealing with cash. Petty cash procedure. Fidelity Guarantee (insurance).
F6	There is failure to ensure proper use of funds under S137	Total S137 expenditure could exceed statutory limit for MPC	1	1	Low (1)	Separate S137 heading in budget. Qualified Clerk. All grant approvals minuted.
F7	Proper financial records are not kept	Inadequate understanding of financial position of the authority. Potential qualified audit.	1	3	Medium (3)	RFO recruited. Regular finance reports submitted at meetings. Regular internal audit visits.
F8	Poor Financial Management	MPC could run out of funds before the financial year end. Risk to service delivery.	1	3	Medium (3)	RFO in place. 2019/20 precept more realistically meets anticipated costs. Regular budget progress reports and monitoring. Reserves of over 4 months running costs held.
F9	Failure to set a precept within sound budgeting arrangements.	Inadequate funds to effectively carry out planned services or unjustified precept charge to parishioners.	1	3	Medium (3)	RFO recruited. Precept set as a result of full report detailing requirements for forthcoming year for all budget heads of income and expenditure plus any project costs. Charges for services will be reviewed during year. Adequacy of reserves considered. Budget monitoring throughout the year.
F11	Failure to maintain an effective payments system	Loss of funds from bank due to staff error or fraud.	1	2	Low (2)	Controls in place over payments from bank account. All payments approved by council and minuted. Budget monitoring. Review of bank reconciliations by PC member. Prepaid debit card policy. Fidelity Guarantee (insurance)

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F12	Loss of funds due to bank failure	Any funds above the guarantee limit could be lost. Impact on ability to deliver services and projects and meet contractual payments.	1	3	Medium (3)	Guarantee limit of £85k per financial institution. Investment policy in place.
F13	Failure to collect income from customers	Funding shortfall which needs to be met from elsewhere.	1	1	Low (1)	Responsibility for collection of debts defined. Receipts issued. Procedures to chase outstanding debts.
F14	Claims will be made on insurance due to accidents in, on or around Council property (includes maintenance of public open spaces)	Adverse publicity Failure in duty of care to parishioners Increased insurance premiums	2	2	Medium (4)	Wardens regularly inspect and fix things. Maintenance Committee oversees and monitors. Process over awarding of major Maintenance Contracts. Risk assessments carried out. Public Liability Insurance held.
F15	New employees are in key officer roles	Loss of funds through staff error or fraud	2	2	Medium (4)	Recruitment processes and references. Separation of staff duties/RFO separate from Clerk. Internal controls in place over bank payments and cash handling. Budget monitoring. Staff training and performance reviews. Fidelity guarantee (insurance) Internal audit
F16	Melbourn Community Hub Management Committee might not be able to make the Hub financially viable.	The Hub might need to be managed and run by MPC. Potential adverse impact on reserves and increase in precept	1	3	Medium (3)	MPC works closely with the Hub Management Group and several Cllrs are directors. Regular finance reports provided to MPC. Financial assistance via grants given by MPC.
F17	SCDC and CCC are unable to perform their delegated tasks and these get pushed	The Precept would need to be increased to enable MPC to carry out additional duties	2	3	High (6)	MPC works closely with its District and County Cllrs and should get warning of any proposed changes so that it can

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	down to Parish Council level					make appropriate plans. MPC must continue to do this (Action).
F18	Damage or loss by fire, weather or vandalism of Councils assets	Potential adverse service disruption and unbudgeted outlay for replacements/repairs	2	2	Medium (4)	An asset register is in place and is linked to MPC's insurance policy. Wardens and regular Maintenance Contractors report damage to assets. Asset inspections programme. Fire prevention measures in place.
F19	Lack of financial controls when appointing contractors and lack of monitoring of contractors following appointment	MPC may not get the best value out of its contractors and may not get the service that it has paid for. Contractors may go out of business with an adverse impact on services.	2	2	Medium (4)	MPC has adopted a policy for appointment of contractors. This includes financial checks. The Financial Regulations have controls around tender procedures and quotes. Maintenance Committee/Clerk monitors performance.
F20	Inadequate financial controls around ordering goods and services	The Council may not get best value for goods and services and may commit to expenditure without the necessary budget being available	1	3	Medium (3)	Financial Regulations/Standing Orders detail procedures for authorisation of orders. It is potentially a disciplinary offence not to follow Financial Regulations. Extra checks on approvals for ordering to be introduced. MPC policy for awarding contracts.
F21	Loss of Financial Records.	Inability to access financial information. Failure to meet statutory requirements regarding record keeping.	1	3	Medium (3)	Financial accounting system is on a cloud-based system that is backed up remotely. Finance drive is regularly backed up.
F22	Investments made by MPC lose money	The council would have to make the shortfall up from elsewhere	1	3	Medium (3)	Investment strategy in place – low risk investments to be made and reviewed.

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Likelihood Scores	Impact Scores	Risk Rating Scores (Likelihood x Impact)
Low (unlikely) = 1 Medium (possible) = 2 High (highly likely) = 3	Low (negligible) = 1 Medium (moderate) = 2 High (Severe) = 3	Low = 1,2 Medium = 3, 4 High = 6,9