

IRBY UPON HUMBER PARISH COUNCIL

FINANCIAL RISK MANAGEMENT POLICY

Date Policy Agreed	4th November 2026
Date of Next Review	October 2028
Signature (Chair)	Mick Moody
Signature (Clerk)	Jane Thomson

Financial Risk Assessment

The Parish Council has looked at the financial risks that it must deal with and resolved to adopt the following policy.

1. **Handling Cash**
   The Parish Council does not handle cash on a daily basis. The only regular income is precept, bank interest and annual VAT return. All of these are paid directly into the Parish Council's bank account.

2. **Employers' liability**
   The Parish Council employs 1 employee: Proper Officer / RFO. Its insurance policy with provides employers liability cover.

3. **Public liability**



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The Parish Council has public liability cover to £12 million under its policy with Zurich. The selection of insurer is reviewed annually based on comparable and sufficient cover.

4. **Fidelity guarantee**
The Parish Council has fidelity guarantee cover to £250,000, see also point 3.

5. **Contracts and tendering**
The Parish Council has financial regulations in place for contracts regarding when 3 quotes are a mandatory default position. (See standing orders and financial regulations).

6. **Banking arrangements**
There is presently 1 signatory on the banking mandate. The Clerk is presently organising an update to the bank mandate and once confirmed, this policy will be amended and re-adopted. Two signatures are required by the bank and in law. Cheques are only signed at meetings of the Parish Council. The Clerk also has access to online banking. The Clerk is the only person registered to use this service and it can only be used to transfer money between accounts and check balances.

The Parish Council uses the BACS system to make payments, the measures in place to minimise risks in this process are a password to log on to the banking system and then a fob generated passcode, the fob itself is password protected. The banking systems allows 3 attempts after which the log on is disabled.

7. **Bank reconciliation**
The Parish Council receives a monthly bank reconciliation which is compared against the bank statement



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8. **Cash book records**
The Clerk manages the cashbook which is then submitted for checks during the annual audit report

9. **Internal audit**
The Parish Council annually appoints by resolution in a meeting an independent internal auditor. An audit is carried out year end only.

10. **Internal control**
The Parish Council has established a system of internal control where prior to each meeting all scheduled payments are presented to the council. All payments are supported by an invoice or summary of the reasons for a payment.

11. **PAYE and Workplace Pensions Compliance**
The council receives evidence of PAYE payments to HMRC via print outs of the P32 forms and compliance with its duties in respect of automatic enrolment and workplace pensions (i.e. declaration of compliance and list of monthly pension payments), these are filed within the council's finance folder



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IRBY UPON HUMBER PARISH COUNCIL – RISK ASSESSMENT/MANAGEMENT DOCUMENT

- Risk assessment is a systematic general examination of the activities of the Parish Council to enable potential risks to be identified.
- The Parish Council, based on the recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks identified.
- This document has been produced to enable Irby Upon Humber Parish Council to assess the risks inherent to its activities and satisfy itself that it has taken all reasonable steps to minimise them.

AREA	IDENTIFIED RISK	LEVEL OF RISK	CONTROLS	ACTION REQUIRED
FINANCIAL				
Precept	Adequacy of precept in order for Council to carry out Statutory duties	L	Annual budget produced, reviewed and approved at the December council meeting Council receives a quarterly budget report.	• No action required. • Existing procedure adequate



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Financial Records	Inadequate records leading to financial irregularities	L	Financial Regulations sets out requirement for production of records at meetings.	• No action required. • Existing procedure adequate
Bank and banking	Inadequate checks/ bank mistakes	L	Financial Regulations set out setting out banking requirements and controls in place for electronic banking. Monthly bank reconciliation statement	• No action required. • Existing procedure adequate
Reporting and Auditing	Communication of information	L	Financial matters are a regular item on the agenda of the Council monthly meeting.	• No action required. • Existing procedure adequate
Wages and associated costs	Salaries paid incorrectly Incorrect HMRC NI and PAYE payments	L	Salary payments included in monthly invoices listed for payment checked by the council exclusive of members of public to be compliant with GDPR HMRC quarterly payments included in monthly invoices listed for payment.	• No action required. • Existing procedure adequate



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Best Value Accountability	Work awarded incorrectly. Overspend on services	L	Parish Council procedure (as per Financial Regulations)	• No action required. • Existing procedure adequate
VAT	Unclaimed VAT refunds	L	Refunds from HMRC for reclaimed VAT noted in lists of monthly income. VAT incurred displayed in cash book.	• No action required. • Existing procedure adequate



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EMPLOYMENT ISSUES				
Working hours	Over payment of wages for hours worked	L	Council has responsibility for monitoring of hours worked for all employees, time sheet submitted to the personnel committee Wage cost submitted on a monthly basis as invoices to be presented for payment	• No action required. • Existing procedure adequate
Working conditions	Council non-compliant with contractual obligations; leading to discontented workforce.	M	Regular reviews of staff performance and working relationship with the Council	• Ensure all staff have access to telephone conversations & reviews etc
Health and Safety	Injury to staff in the working environment	M	Provision for regular reviews of staff working procedures, risks involved and adequate direction on the safe use of any equipment required to undertake roles. Extensive health and safety guidance provided to all staff.	• Ongoing reviews as necessary



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			Reviewed on a regular basis in conjunction with regular reviews of working practices and risk assessments	
Fraud	Fraud by employees	L	Requirements of Fidelity Guarantee within insurance provision. Regular checks and internal controls on financial activity	• No action required. • Existing procedure adequate
INSURANCE PROVISION				
Adequacy	Insurance provision inadequate for the risk identified	L	Annual review is undertaken of all insurance arrangements	• No action required. • Existing procedure adequate
Cost	Best value practice not undertaken	L	Cost of insurance provision and service provided by said provider reviewed annually.	• No action required. • Existing procedure adequate
Freedom Of Information Provision	Non-compliance with Freedom of Information Act statutory requirements	L	Council has Model Publication scheme available on website and hard copy from the Clerk .	• No action required. • Existing procedure adequate



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Data Protection	Non-compliance with Data Protection Act and GDPR statutory requirements for registration as data controller	L	Clerk/RFO and members undertaken training Council registered with ICO as a Data Controller Data/information audit complete and reviewed regularly Privacy notices available on website	• No action required. • Existing procedure adequate (new members to attend the training when available)
Annual Return (HMRC)	Submission within time limits to avoid financial penalties	L	Employers Annual Return to HMRC completed and submitted online within the required time frame by the Clerk/RFO	• No action required. • Existing procedure adequate
Annual Return (To External Auditors))	Submission within time limits to avoid financial penalties	L	Sent to internal auditor for completion and signing. Presented to Council for approval and signing before being sent for External Audit.	• No action required. • Existing procedure adequate



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Legal Powers	Illegal activity and/or payments	L		All actions of the Parish Council noted in Minutes presented to all members. All resolutions for payment resolved at monthly meetings of Parish Council.	• No action required. • Existing procedure adequate
Statutory Obligations Regarding Documents	Accuracy and legality of notices, agendas, minutes	L	• • • • • • • • •	Minutes produced in the prescribed manner by the Clerk and adhere to legal requirements. Minutes are approved, signed and dated at the next meeting of the Council. Agendas and notices are produced in the prescribed manner by the Clerk and adhere to legal requirements. Agendas and notices are displayed according to legal requirements.	• No action required. • Existing procedure adequate



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Members Interests	Non-registration of Disclosable Pecuniary interests leading to criminal prosecution	M	• Request for all members to declare any interests in business to be considered at all meetings. • Registration of interests by members on prescribed form. Responsibility of individual member to declare said interests. • Register of interest forms available on the Parish Council website.	• No action required. • Existing procedure adequate
Asset Maintenance	Loss or damage. Risk damage to third party	L	Annual review of assets undertaken for both insurance provision and external audit requirements. Agenda item as required – assets considered by council when purchase or disposal is advised.	• No action required. • Existing procedure adequate



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Assets	Poor performance of assets	L	All assets owned by Parish Council are regularly reviewed. All repairs and relevant expenditure authorised in accordance with correct procedures of the Parish Council . Significant assets insured.	• No action required. • Existing procedure adequate
Meeting Location	Premises inadequate for needs of Council and inaccessible for members of the public	L	• All meetings of Irby Upon Humber are held either at St Andrews Church Hall	• No action required. • Existing procedure adequate
COUNCIL RECORDS				
Paper Records	Loss of essential records through theft and/or fire damage. Council Minutes, leases and historical correspondence.	L	Parish Council Minutes are archived in a lockable container	• No action required. Existing procedure adequate



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	Current financial records.	L	All current Parish Council financial records are stored securely at the Clerks homes address	• No action required. Existing procedure adequate
Electronic Records	Loss through; theft, fire damage or corruption of computer	L	Parish Council electronic records are stored on laptop computer of Clerk/RFO Backups of electronic data are made at regular intervals	• No action required. Existing procedure adequate

KEY LEVEL OF RISK:
L: LOW M: MED H: HIGH