

**Risk Assessment for consideration of outsourcing payroll activities**

- Payroll activities are currently undertaken by the Clerk.
- It is unknown whether she has had specific training in this area
- The Clerk is an employee in receipt of salary from Downton Parish Council
- To date only the Clerk has the information to make salary payments although they are authorised by councillors with bank authorisation responsibilities

Activity	Risk/Hazard description	Who is at risk / Risk Category	Risk Score			Risk level (red, amber, green)	Existing Controls	Further actions	Expected risk level if further actions in place	Risk owner	Review date
			Impact	Likelihood	Total						
Payment of Downton Parish Council employee salaries	In the absence or incapacity of the Clerk:  Salary payments are not made.  Downton Parish Council's contract with employees is not fulfilled  Employees suffer financial hardship and may incur additional costs	Council staff and potentially their dependants  Parish Council as an employer  Parish Council's reputation	3	2	6	amber	RFO/Clerk manages payroll activities and payments are authorised by 2 councillors	Payroll activities are outsourced to an independent provider who will have more than one member of staff who can cover this task.  The independent provider notifies the Council to set up the salary related payments	3 x 1 =3 Green	Parish Council	April 2021

	<p>due to non-payment of salaries</p> <p>Downton Parish Council is not protecting its Clerk as employee from undertaking activities where she has a personal pecuniary interest so leaving her open to accusations of misuse</p> <p>Potential for internal audit to query the independence of this arrangement</p>										
Legal obligations related to salary payment	<p>In the absence or incapacity of the Clerk:</p> <p>Pension</p>	Council staff and potentially their dependants	3	2	6	Amber		Payroll activities are outsourced to an independent provider who will have more than one	3 x 1 =3 Green	Parish Council	April 2021

	<p>contributions are not made</p> <p>The employer obligations to provide payslips is not fulfilled</p> <p>If the Clerk is unavailable at the end of the financial year, DPC as employer does not fulfil its legal obligations to provide HMRC information to employees</p>	<p>Parish Council as an employer</p> <p>Parish Council's reputation</p>					<p>member of staff who can cover this task.</p> <p>The independent provider notifies the Council to set up the salary related payments</p>			
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