

FINANCIAL AND MANAGEMENT RISK ASSESSMENT FOR GREYWELL PARISH COUNCIL

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Approved by:	Greywell Parish Council	Dated: 12th March 2018

Scope of this assessment

This document has been produced to enable the Parish Council to assess the 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.
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise if required.

Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Councillors	Losing Councillor membership or having more than 2 vacancies at any one time	L	When a vacancy arises there is a legal process to follow. The Council's complement is 5 members. If there are more than 2 vacancies at any one time the Council becomes inquorate. This either leads to an election or into a co-option process. An election is out of the Parish Council's control. The co-option process begins with local advertisement, acceptance and consideration of applicants, then a co-option vote at a Council meeting, followed by appointment. This legal process of appointing new councillors must take place.	Existing procedures of are adequate.

Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	In the event of a tragic incident where all Parish Council members simultaneously cease to serve, for whatever reason, the District Councillor will co-opt new members and officers of the Council	Existing arrangements adequate
Precept	Adequacy of precept Requirements not submitted to Hart DC in time Amount not received by Hart DC	L L L	To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full Council. At the Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings obtained by the Clerk. With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from Hart District Council. This figure is submitted by the Clerk in writing/by email to HDC. Precept should be considered by Council before the deadline - deadline should be ascertained from HDC asap. The Clerk informs Council when the monies are received (approx April time).	Existing arrangements adequate
Financial records	Inadequate records Financial irregularities	L L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate. Review of Financial Regulations required annually at audit.
Bank and banking	Inadequate checks Bank mistakes Loss Charges	L L L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. If the bank makes an error in processing cheques this will be discovered when the Clerk reconciles the bank accounts before each meeting. Councillors monitor and sign reconciliations at every meeting and check the bank statements.	Existing procedure adequate.

	Loss of signatories	L	Council will choose replacements but the bank takes time to implement changes, this mostly happens after an AGM/election/co-option.	
Cash / Loss	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements. Cash/cheques received are banked as soon as possible. There is no petty cash or float.	Existing procedure adequate. This is audited by the Internal Auditor annually.
Litigation	Potential risk of legal action being taken against the Council	M	Public liability insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against.	Insurance is adequate for requirements but there is still risk of other claims.
Reporting and auditing	Information communication Compliance	L L	An audit statement is produced annually, presented to Council, discussed and approved at the meeting. This statement includes bank reconciliation, budget update, and a breakdown of receipts and payments balanced against the bank. Audit is a legal requirement and reports by internal and external auditors (limited assurance review, if requested) are reviewed at meetings.	Existing procedures adequate.
Fraud and financial malpractice	Fictitious vendors Goods not supplied but billed Incorrect invoicing Unpaid invoices Cheque payee	L L L L L	The Council has Financial Regulations which set out the requirements. At each Council meeting the list of invoices awaiting approval is distributed to Councillors, and considered. Two Councillors are nominated to check each invoice against the cheque and associated paperwork including the payee and two signatories are required for each payment cheque. Council approves the list of requests for payment.	Existing procedure adequate.
Grants and support - payable	Power to pay Authorisation of Council to pay	L L	All such expenditure goes through the required Council process of approval, recorded in minutes and listed accordingly. Payments are made as above.	Existing procedure adequate.

Grants - receivable	Receipts of Grant	L	The Parish Council occasionally receives grants for specific projects. One off grants normally come with terms and conditions to be satisfied. Cheques are banked and grants accounted for in the above ways and unusual amounts explained at audit.	Existing procedure adequate.
Best value accountability	Work awarded incorrectly	L	Normal Parish Council practice is to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods to be supplied. For major contract services, formal competitive tenders are sought. If a problem is encountered with a contract the Clerk investigates the situation, checks the quotation/tender, researches the problem and reports to Council.	Existing procedure adequate. Include when reviewing Financial Regulations.
	Overspend on services	M		
Salaries and assoc. costs	Salary paid incorrectly	L	The Parish Council authorises the appointment of the single employee (the Clerk). Salary rates are assessed annually and applied on 1 April each year. Salary analysis and slips are produced by the Clerk monthly together with a schedule of payments to the Inland Revenue (for Tax and NI). These are inspected at the Council meetings and signed off. The Tax and NI is worked out using an Inland Revenue computer programme updated annually. All Tax and NI payments are submitted in the Inland Revenue Annual Return. The Clerk has a contract of employment and job description. Salaries are paid in arrears, but if a meeting is cancelled or moved then payments could be late or missed.	Existing appointment system adequate. Existing payment and administration system is adequate but should be reviewed annually.
	Wrong hours paid	L		
	Wrong rate paid	L		
	False employee	L		
	Wrong deductions of NI or Tax	L		
	Unpaid Tax & NI contributions to the Inland Revenue	M		
Employee	Loss of key personnel	L	A Continuity Plan has been developed in case of loss of key personnel. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.	Existing procedure adequate once Continuity Plan in place.
	Fraud by staff	L		

	<p>Actions undertaken by staff</p> <p>Health & Safety</p>	L	<p>Audit and working checks carried out on procedures, staff and Councillors. The Clerk is provided as necessary with relevant training, reference books, access to assistance and legal advice required to undertake the role. Membership of the HALC, NALC, HATDC etc.</p> <p>Risk assessments of all activities and undertakings produced.</p>	<p>Existing procedure adequate.</p> <p>Monitor working conditions, safety requirements and insurance regularly.</p>
Councillor allowances	Councillors over-paid Income tax deduction	L	No allowances are allocated to Parish Councillors.	No procedure required.
Election costs	Risk of an election cost	H	When a scheduled election is due the Clerk obtains an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. The Council reserves a sum each year to carry forward in case of an election at a four year interval.	Existing procedure is adequate.
VAT	Re-claiming	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate
Employers Annual Return	Paying and accounting for NI and Tax of employee salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the Clerk. There are financial penalties for late submission.	Existing procedure adequate.
Audit - Internal Audit	Completion within time limits	L	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the form to complete and sign for the External Auditor. Procedures are all covered in the Audit Commission documentation supplied.	Existing procedure adequate.

Annual Return	Completion/Submission within time limits	L	Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within time limit.	Existing procedure adequate.
Legal powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council are resolved and recorded in minutes at Full Parish Council Meetings.	Existing procedure adequate.
Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	L L	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to the legal requirements. Business conducted at Council meetings is managed by the Chair.	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct.
Members interests	Conflict of interest Register of Members interests	L M	The declaring of interests by members at a meeting is a process to remind Councillors of their duty and is always on the meeting agenda. Register of Members Interest forms is reviewed regularly by Councillors. The Council's code of conduct has been revised and agreed.	Existing procedure adequate. Members take responsibility to update their Register and conform with the code.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be in place. Ensure compliance measures are in place. Ensure Fidelity checks are in place.	Existing procedure adequate. Review insurance provision annually. Review of compliance.
Notice boards	Risk/damage/injury to third parties Road side safety	L L	Parish Council does not have its own noticeboard but shares the facility with the Village Hall. The location has approval by relevant parties, insurance cover, inspected regularly by the Clerk - any repairs/maintenance requirements brought to the attention of the Village Hall. Keys held by the Clerk.	Existing procedure adequate.

Meeting location	Adequacy Health & Safety	L M	The Parish Council Meetings are held at the Village Hall. The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects.	Existing location adequate
Council records - paper	Loss through: theft fire damage	L L L	The current Parish Council records are stored at the home of the Clerk. However, older records including historical correspondence, minute books and copies, leases for land or property, records such as personnel, insurance, salaries etc. are stored in a metal filing cabinet (not fire proof) in the village hall.	Damage (apart from fire) and theft is unlikely and so provision adequate.
Council records - electronic	Loss through: Theft, fire, damage corruption of computer	L M	The Parish Council's electronic records are stored on the Clerks computer. Back-ups of the files are taken at regular intervals. CD back-up of electronic files are given to the Chairman for storage off-site.	Procedure is adequate. Back-ups are taken monthly.
Events	Fireworks/Bonfire Village tidy and clean-up	M M	Separate Risk Assessments are undertaken for each of these events to ensure safe or correct insurance, procedures and practices are followed.	Existing procedure adequate.