

# North Hill Parish Council Financial Risk Assessment

## Notes

***"The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council."***

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. Making sure that all employees are made aware of the results of the risk 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.

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Councillors	Loosing Councillor membership or having more than 7 vacancies at any one time	L	When a vacancy arises there is a legal process to follow. This either leads to a bye-election or into a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment. If there are more than 7 vacancies at any one time on the Council it becomes inquorate. The legal process of the Borough Council appointing members takes place.	Existing procedures adequate. Procedures of another body are adequate.
Business Continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	There is a business continuity plan in place.	Review plan when necessary.

Precept	<p>Adequacy of precept</p> <p>Requirements not submitted to CBC in time</p> <p>Amount not received by CBC</p>	<p>L</p> <p>L</p> <p>L</p>	<p>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 costing 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 North Hill Parish Council. This figure is submitted by the Clerk in writing to NH PC. Precept should be considered by Council before the deadline - deadline should be ascertained from NH PC asap. The Clerk informs Council when the monies are received (approx. April/May time).</p>	Existing procedure adequate.
Financial Records	<p>Inadequate Records</p> <p>Financial irregularities</p>	<p>L</p> <p>L</p>	<p>The Council has Financial Regulations which set out the requirements.</p>	<p>Existing procedure adequate.</p> <p>Review of Financial Regulations 2009/10.</p>
Bank and Banking	<p>Inadequate checks</p> <p>Bank mistakes</p> <p>Loss</p> <p>Charges</p> <p>Loss of signatories</p>	<p>L</p> <p>L</p> <p>L</p> <p>L</p> <p>L</p>	<p>The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. The bank does make occasional errors in processing cheques which are discovered when the Clerk reconciles the bank accounts once a month when the statement arrive, these are dealt with immediately by informing the bank and awaiting their correction. Monitor the bank statements monthly. Council would choose replacements but the bank takes time to implement changes, this mostly happens after an AGM/election.</p>	Existing procedure adequate
Cash / Loss	<p>Loss through theft or dishonesty</p>	<p>L</p>	<p>The Council has Financial Regulations which set out the requirements. Cash/cheques received are banked within 3 banking days. There is no petty cash or float. This is audited by the Internal Auditor annually.</p>	Existing procedure adequate

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  M	A monitoring statement is produced regularly and 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. Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing procedure adequate
Direct Costs Overhead Expenses Debts	Goods not supplied but Billed  Incorrect invoicing  Cheque payable Incorrect  Loss of stock  Unpaid invoices	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. One Councillor is nominated to check each invoice against the cheque book and associated paperwork and initials the invoices. Council approves the list of requests for payment. The Council has minimal stocks, these are checked and monitored by the Clerk. Unpaid invoices to the Council for adverts in the newsletter or services are pursued and where possible, payment is obtained in advance.	Existing procedure adequate.
Grants and Support - Payable	Power to pay  Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure.	Existing procedure adequate.  Parish Councillors request S137 rules if required.
Grants – Receivable	Receipts of Grant	L	The Parish Council does not presently receive any regular grants. One off grants would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required.

Charges - Rentals Payable	Payments of charges, leases, rentals receivable	L	The Parish Council leases from County a piece of land - but this is not chargeable. (Due to end approx. Mar/Apr 2010).	Existing procedure adequate
Charges - Rentals Receivable	Receipt of rental Insurance implication	L M	Football Pitches - The Clerk issues an agreement for usage and a monitoring form along with the invoice. Both parties sign the agreement and the Parish Council copy is held in Parish Council records. The cheque is received and banked. The Parish Council is notified accordingly. The Football Club arranges its own insurance and provides a copy to the Parish Council each year.	Existing procedure adequate.  Review agreement and fees annually. Ensure payment and copy of insurance document received.
Best Value Accountability	Work awarded Incorrectly Overspend on services	L M	Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council. This is covered in the Financial Regulations.	Existing procedure adequate.  Include when reviewing Financial Regulations 2009/2010
Salaries and Assoc. Costs	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue	L L L L L L M	The Parish Council authorises the appointment of all employees through a Committee. Salary rates are assessed annually by a Committee 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 Caretakers each submit a weekly time sheet containing hours, tasks. These are checked and initialed by the Clerk and submitted into the records. Each has a contract of employment and job description. The Clerk has a contract of employment and job description. All contracts of employment contain a section on overpayment and recoup. Salaries are paid in arrears, but if a meeting	Existing appointment system adequate.  Existing payment system is inadequate and should be reviewed.  A Personnel Committee needs to be formed to carry out the annual reviews.

			is cancelled or moved then payments could be late or missed.	
Employees	Loss of key personnel Fraud by staff Actions undertaken by Staff Health & Safety	L  L	Reference to the Continuity Plan should be made in case of loss of key personnel. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud. The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. The Caretakers should be provided with adequate direction and safety equipment needed to undertake the roles, i.e. protective clothing and training.	Existing procedure adequate. Purchase revised books. Membership of the SLCC. Monitor working conditions, safety requirements and insurance regularly.
Councillor Allowances	Councillors over-paid Income tax deduction	Negative	No allowances are allocated to Parish Councillors.	No procedure required
Election Costs	Risk of an election cost	H	Risk is higher in an election year, but on recent history there is now a high risk that a by-election is called for any casual vacancies. When a scheduled election is due the Clerk will obtain an estimate of costs from the County 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 saves a sum each year to carry forward in case of an election at a four year interval but bye-elections are presently not accounted for.	Existing procedure is inadequate in the case of bye-elections. Council should consider precepting a larger amount each year, and saving each year to cover all costs.
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT is claimed regularly.	Existing procedure adequate.

Employers Annual Return	Paying and accounting for NI and Tax of employees' salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the Clerk.	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 'Review of Effectiveness of the system of Internal Audit' which is reviewed annually.	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 to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used. As per the Financial Regulations prescribe.	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 should be 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	Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate. Members take responsibility to update their Register.
Insurance	Compliance Adequacy Cost	L L L	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 paid for. Ensure compliance	Existing procedure adequate. Review insurance provision annually. Review of compliance.

	Fidelity Guarantee	M	measures are in place. Ensure Fidelity checks are in place.	
Data Protection	Policy Provision	L	The Council is registered with the Data Protection Agency	Ensure annual renewal of registration.
Freedom of Information Act	Policy Provision	L M	The Council has a model publication scheme for Local Councils in place. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee.	Monitor and report any impacts of requests made under the F of I Act.
Asset	Risk/damage to third party(ies)/property Loss or Damage	L L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset register to be updated in accordance with BDO suggestions.
Maintenance	Loss of income or Performance  Assets Risk to third parties  Poor performance of assets or amenities	L  L  L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council. All assets are insured and reviewed annually. All public amenity land is inspected regularly by parish employees.	Existing procedure adequate. Ensure inspections carried out.
Notice Boards	Risk/damage/injury to third parties  Road side safety	L  L	Parish Council has two notice boards sited around the village. All locations have approval by relevant parties, insurance cover, inspected regularly by the Clerk - any repairs/maintenance requirements brought to the attention of the Parish Council. Keys held by the Clerk.	Existing procedure adequate.

Street Furniture	Risk/damage/injury to third parties	L	No formalised programme of inspections is carried out, all reports of damage or faults are reported to Council and/or dealt with.	Existing procedure adequate
Meeting Location	Adequacy Health & Safety	L M	The Parish Council Meetings are held at the Community 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 locations adequate.
Council Records - Paper	Loss through: Theft Fire damage	L M L	The Parish Council records are stored at the home of the Clerk. Records include historical correspondence, minute books and copies, leases for land or property, records such as personnel, insurance, salaries etc. Recent materials are in a metal filing cabinet (not fire proof) and older more historical records in the attic.	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 given to Chairman for storage off-site

Reviewed at the meeting of: ..... Signed by the Chairman: .....