

## WINDLESTONE PARISH COUNCIL FINANCIAL RISK ASSESSMENT

A Risk Assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any and all potential inherent risks. The Parish Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. This document has been produced to enable Windlestone Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

### FINANCIAL AND MANAGEMENT

Subject	Risk(s) Identified	H/M/L	Management/control of Risk	Review/Assess/Revise
Councillors	Risk of losing Councillor Membership or having more than two vacancies at a time.	M	<p>When a vacancy arises there is a legal process to follow. This either leads to a by-election or a co-option. An election is out of the Parish Council's control (more than ten members of the Parish request an election takes place formally). The co-option process begins with an advert, acceptance of applications, consideration of applications and a co-option vote at a Council Meeting followed by appointment.</p> <p>If there are more than two vacancies at any one time the Council would become inquorate. At this point the legal process of the County Council appointing members would need to take place.</p>	Existing procedures are adequate as are those of the County Council.
Election Cost	Risk of and Election Costs	H	Risk is obviously higher in an election year but there remains a risk at all times that a by-election may be required. When a scheduled election is due the Clerk would obtain an estimate of costs from the County Council for a full election. There are no measures that a Council can adopt to minimise the risk of having to hold an election as this is a democratic process. The Council endeavours to save a sum of money each year in the event of having to pay for an election (reserves), however depending on how much an election costs the Parish Council may not be able to afford those costs. At this point advice would need to be sought from the local authority.	Existing procedures are adequate.

Precept	<p>Adequacy of precept in order for the Council to carry out its Statutory duties</p> <p>Precept request not submitted to the County Council in time</p> <p>Precept not received</p>	<p>M</p> <p>L</p> <p>M</p>	<p>The Precept is discussed at a full Council Meeting prior to the precept request being submitted. At the meeting the budget is set by reviewing the previous years expenditure, leaving monies aside in case of an election and allowing for projects and standard costs. Once agreed by full Council, the precept request form is submitted to the County Council within a prescribed time limit. The Clerk checks to ensure that the precept has been received (the total precept is received in April each year).</p>	Existing procedures are adequate.
Financial Records	<p>Inadequate records</p> <p>Financial irregularities</p>	<p>L</p> <p>L</p>	<p>The Council has Financial Regulations which sets out the requirements.</p>	<p>Existing procedures are adequate</p> <p>Review the Financial regulations annually.</p>
Bank and Banking	<p>Inadequate checks</p> <p>Banks mistakes</p>	<p>L</p> <p>L</p>	<p>The Clerk who is also the Responsible Finance Officer (RFO) carries out a monthly reconciliation of income and expenditure against the Bank Statement.</p>	Existing procedures are adequate
Reporting and Auditing	<p>Information communication</p>	<p>L</p>	<p>Financial information is a regular agenda item which is discussed/reviewed and approved at each meeting. An Internal Auditor is appointed by the Council. The Internal Auditor is a fully qualified accountant. The Internal Auditor is provided with the relevant documents to be able to carry out a review and produce a report detailing any recommendations which they feel would improve the Council's financial procedures.</p>	Existing procedures are adequate.
Best Value accountability	<p>Work awarded Incorrectly.</p> <p>Overspend on services.</p>	<p>L</p> <p>M</p>	<p>Normal Parish Council practice would be to seek more than one quotation for any work to be undertaken. For major work competitive tenders would be sought. If problems were encountered with a contract the Clerk would investigate the situation and report to the Council.</p>	Existing procedures are adequate.

Salaries and Assoc. Costs	Salary paid incorrectly. Incorrect deductions for Tax & N.I.	L L	The Clerk is the only employee of the Council. The Clerk is paid in accordance with NJC salary scales. The Clerk is provided with a job description and contract of employment. All salary payments are approved by Council prior to payment. The Clerk is not eligible to pay N.I. contributions. Tax is paid through the Clerks other Employment and the Inland Revenue are notified of any changes as a matter of course.	Existing payment system is adequate.
Employees	Fraud by staff	L	Requirements of Fidelity Guarantee insurance adhered to with regards to fraud.	Existing procedures are adequate.
VAT	Reclaiming/charging	L	The Council has a very small precept and as such are unable to register for VAT however they are able to claim VAT back as a smaller authority under s126. This is completed quarterly as applicable.	Existing procedures are adequate
Annual Return	Submit within time limits	L	Employers Annual Return is completed and submitted online with the prescribed time frame by the Clerk. Annual Return completed and signed by the Council, submitted to internal auditor for completion and signing then checked and sent to External Auditor within time frame.	Existing procedures are adequate.
Litigation	Potential risk of legal action being taken against the Council	L	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.	Existing procedures are adequate
Cash	Loss through theft or dishonesty	L	Cash & Cheques are rarely received but if they are then they're banked within three days. There is no petty cash or float. All expenditure is paid for by cheque with cheques having to be signed by at least two Councillors or one Councillor and the Clerk. Expenditure incurred by the Clerk can be reclaimed. The Clerk cannot sign a cheque made payable to themselves.	Existing procedures are adequate.
Minutes/agendas/ Notices, Statutory Documents`	Accuracy and legality  Business conduct	L L	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting. Agenda displayed according to legal requirements. Business conducted at Council meetings should be managed by the Chair	Existing procedures are adequate.  Members adhere to Code of Conduct

Members interests	Conflict of interests Register of members interests	L M	Declarations of interest by members at Council meetings. The Council maintains a Register of members interests which is reviewed regularly.	Existing procedures are adequate. Members take responsibility to update register.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken of all insurance arrangements. Employers and Employee liabilities are a necessity and must be paid for. The Council is insured for up to £5 million Public Liability Insurance, up to £10 million Employers Liability Insurance and up to £10,000 Fidelity Guarantee as well as being covered for Personal Accident Cover and having all physical assets insured for replacement value against loss or damage. The Council has no investments.	Existing procedure are adequate. Insurance is reviewed annually.
Data Protection	Policy provision	L	The Parish Council is registered with the Data Protection Agency	Ensure annual renewal of registration
Freedom of Information	Policy Provision	L M	The Council has a Model Publication scheme in place. To date there has been no requests under FOI. The Parish Council is aware that if a substantial request came in it could create a number of additional hours work. The Parish Council can request a fee to supplement the extra hours	Monitor any requests made under FOI
Legal Powers	Illegal Activity or Payments	L	All activity and payments within the Powers of the Parish Council are resolved and minuted at meetings. This includes a reference to the relevant Power as appropriate and as prescribed by the Councils Financial Regulations.	Existing procedures are adequate.
<b>PHYSICAL EQUIPMENT OR AREAS</b>				
Assets	Loss or damage Risk/damage to third party (ies) property	L L	An annual review of assets is undertaken for insurance provision	Existing procedures adequate
Maintenance	Poor performance of assets or amenities	L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for any repair is actioned/authorised in accordance with the correct procedures of the Parish Council. Assets are insured.	Existing procedures adequate

Notice Boards	Risk of damage	L	The Parish Council currently has two notice boards. No formal inspection procedures are in place but any reports of damage or faults are reported to the Parish Council and dealt with in accordance of the correct procedures of the Council.	Existing procedures adequate
Meeting locations	Adequacy Health & Safety	L M	The Parish Council meeting is held in a venue considered to have appropriate facilities for the Clerk, members and the general public.	Existing procedures adequate
Council records – paper	Loss through: Theft Fire damage	M	The Parish Council records are stored at the home of the Clerk. Records include historical correspondences, minutes, insurance, bank records. Records are kept in a lockable cabinet.	Damage (apart from fire) and theft is unlikely and so provision is adequate.
Council records – electronic	Loss through: Theft, fire damage or corruption of computer	L	The Parish Council electronic records are stored on the Council computer held with the Clerk at their home. Back-ups of electronic data is made at regular intervals and discs are held by the Chair	Existing procedures considered adequate

Produced by: Karen Younghusband (Clerk & RFO)

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