

## Roade Parish Council Financial Risk Assessment

**Notes** Approved Roade Parish Council: 17 June 13 p 1381 Reviewed and re-adopted 8<sup>th</sup> March 2021.

***“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	Losing Councillor membership or having more than 8 vacancies at any one time	L  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 8 vacancies at any one time on the Council it becomes inquorate. The legal process of the District 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	Parish Clerk provides all information to the Deputy Clerk/Chairman and Agendas and minutes can all be accessed from the website. Computer access codes are locked in the parish office desk to allow access to the parish computer. Locum Clerks may be employed through SLCC	Review when necessary.

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### FINANCIAL AND MANAGEMENT

Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Precept	Adequacy of precept Requirements not submitted to SNC in time Amount not received from SNC.	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 of 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. Precept should be considered by Council before the deadline - deadline should be ascertained from SNC asap. The Clerk informs Council when the monies are received (approx April/May time).	Existing procedure adequate.
Financial records	Inadequate records Financial irregularities	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate. Review of Financial Regulations completed January 2021.
Bank and banking	Inadequate checks  Bank mistakes Loss Charges Loss of signatories	L  L L L	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 statements 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.	Existing procedure adequate.  Appoint new signatories prior to elections.
Cash / Loss	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements. Cash/cheques received are banked within 5 banking days. There is no petty cash or float. This is audited by the Internal Auditor annually. The Council has internal control procedures which are implemented regularly.	Existing procedure adequate.
Credit Card	Loss of card	L	The Credit card is locked in the drawer at the office, during covid (when the clerk is working from home) the credit card is stored in a box next to the clerks desk that is only accessed by herself . All credit card purchases are collated and reconciled against the bank statement and are subject to internal controls.	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.

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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, online banking and associated paperwork and invoices. Council approves the list of requests for payment.	Existing procedure adequate.
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### FINANCIAL AND MANAGEMENT

Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
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. Council adopted the General Power of Competence in Jan 2016.	Existing procedure adequate. Parish Councillors request S137 rules if required. GPC will expire in May 2021.
Grants - receivable	Receipts of Grant  Grant not available	L  L	All grants come with their own terms and conditions  Should the grant not be available then F&GP will look into how to fund a project, possibly from reserves and advise the full council so a decision can be made.	Clerk to look at t&c's of grants
Charges - receivable	Receipt of Cemetery income	L	Both parties sign the agreement and the Parish Council copy is held in Parish Council records. The cheque is received and banked.	Existing procedure adequate. Review fees annually.
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 .
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	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 External payroll provider on a monthly basis together with a schedule of payments to the Inland Revenue (for Tax and NI). These are inspected at the Council meetings and signed off. All Tax and NI payments are submitted in the Inland Revenue Annual Return by the external payroll provider.  All employees have a contract of employment and job description. Salaries are paid in arrears, on the 23 <sup>rd</sup> of the month worked. Salaries are paid by Standing Order. Any unusual expenses and overtime are held over to the next full council meeting and authorised at full council.	Existing appointment system adequate.

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Employees	Loss of key personnel Fraud by staff	L	The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.	Existing procedure adequate. Purchase revised books. Membership of the SLCC. Monitor working conditions, safety requirements and insurance regularly.
	Actions undertaken by staff Health & Safety	L	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	
Councillor allowances	Councillors over-paid Income tax deduction	Negative	No allowances are allocated to Parish Councillors.	No procedure required.

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Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Election costs	Risk of an election cost	L	Risk is higher in an election year, When a scheduled election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. Council to budget towards the cost of elections with costs spread over 4 years.	Existing procedure is adequate
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 paid on Salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame.	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 to be reviewed annually by Councillors, or if circumstances change.	Existing procedure adequate. Members take responsibility to update their Register.

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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 paid for. Ensure compliance measures are in place. Ensure Fidelity checks are in place.	Existing procedure adequate. Review insurance provision annually. Review of compliance.
General Data Protection Regulations	Policy Provision	L	The Council is registered with the Information Commissioners Office. The council has adopted all recommended policies associated with the GDPR The council has a contract with Northants Calc to provide the services of a Data Protection Officer should one be required.	Ensure annual renewal of registration. Ensure Clerk is up to date with current legislation and policies are renewed when required.
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.	Monitor and report any impacts of requests made under the F of I Act.

### PHYSICAL EQUIPMENT OR AREAS

Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Assets	Loss or Damage Risk/damage to third party(ies)/property	L L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset register to be updated in accordance with External Auditors suggestions.
Maintenance	Poor performance of assets or amenities Loss of income or performance Risk to third parties	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	Any repairs/maintenance requirements brought to the attention of the Parish Council.	Existing procedure adequate.
Street furniture	Risk/damage/injury to third parties	L	All reports of damage or faults are reported to Council and/or dealt with.	Existing procedure adequate.
Council records - Both paper and electronic	Loss through: Theft, Fire Computer corruption	L M M	The Parish Council's electronic records are stored on the Parish computer. Both desktop and laptop computers are password protected. Back-ups of the files are taken at regular intervals.	Back-ups are held in the cloud.

Reviewed at the meeting of: 8<sup>th</sup> March 2021