

Astley Village Parish Council - Financial Risk Assessment

Notes

This document has been produced to enable the Parish Council to assess the Financial 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 Election 2023	L 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 Parish Council meeting then appointment. If there are more than 7 vacancies at any one time on the Parish Council, it becomes non quorate. The legal process of the Borough Council appointing members takes place. High risk of having all new Councillors or many new ones, loosing experience	Existing procedures adequate. Procedures of another body are adequate. No action can be taken.
Business continuity	Risk of Parish Council not being able to continue its business due to an unexpected or tragic circumstance	L	There is a business continuity plan in place. During the Covid-19 Pandemic, virtual meetings of the Parish Council will be held via Zoom. A full Risk Assessment is in place to ensure the safety of the Village Caretaker during the Covid-19 Pandemic.	The Plan was reviewed in March 2020 in response to the Covid-19 Pandemic.
Precept	Adequacy of precept Requirements not submitted to CBC in time Amount not received by Chorley Borough Council	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 the Parish Council Meeting. At the Precept meeting, the Parish Council receives, the Responsible Financial Officer will submit a budget update report, including actual position and projected position to end the year and indicative figures or costings. With this information the Parish Council will agree the budget headings and projects for the following year and agree the precept amount to be requested from Chorley Borough Council. This figure is submitted by the Clerk to Chorley Borough Council Precept should be considered by the Parish Council before the deadline - deadline should be ascertained from Chorley Borough Council asap. The Clerk reports to the Parish Council Meeting when the monies are received.	Existing procedure adequate.

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Precept	Risk to precept tax base figure & Grant	M	Identified risk of falling tax base figure. Monitored at precept setting each year and Identifying potential savings/changes.	Monitor – balances up
Election costs Or By-election costs	Risk of election costs	L	Risk is higher in an election year, but still a risk that a by-election is called for any casual vacancy. When a scheduled election is due, Clerk obtains estimate of costs from the Chorley Borough Council for a full election and an uncontested election. No measures can be adopted to minimise the risk of having elections, as this is a democratic process. Council saves a sum each year to carry forward in case of an election at a four-year interval, by-Council elections are not accounted for.	Council precepts an amount annually and plans for the four-year period by building up the fund.
Financial records	Inadequate records Financial irregularities	L L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate. The Financial Regulations were reviewed in November 2018.
Bank and banking	Inadequate checks Bank mistakes Loss Charges Loss of signatories	L L L L L	The Parish Council has Financial Regulations which set out the requirements for financial transactions/budget monitoring. Occasional errors in processing cheques identified by the Responsible Financial Officer are dealt with immediately by informing the bank and awaiting their correction. The Parish Council will periodically review its banking arrangements. There are three signatories for the bank accounts (two Parish Councillors and the Clerk) and all payments need to be countersigned therefore all payments are authorised by two persons. Barclays Online Banking is the preferred method of the Parish Council conducting its financial transactions and the Barclays Online Banking Guarantee which protects the Parish Council against fraudulent activity by a third party. Any changes required to the bank mandate will be made as quickly as possible. The Parish Clerk has a debit card to make purchases which have been approved by the Parish Council.	Existing procedure adequate. Monitor the bank statements monthly.
Cash / Loss	Loss through theft or dishonesty	L	The Parish 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.	Existing procedure adequate.
Litigation	Potential risk of legal action being taken against the Parish Council	L	Public liability insurance covers general personal injury claims where the Parish 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	A monitoring statement is produced regularly and presented to each Parish Council, Meeting, discussed and approved at that meeting. This statement includes, bank reconciliation, budget update, and a breakdown of receipts and payments balanced against the bank account. The Parish Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing procedure adequate.

FINANCIAL AND MANAGEMENT

Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
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 Parish Council has Financial Regulations which set out the requirements. At each Parish Council Meeting the list of invoices awaiting approval is distributed to Councillors and considered. One Parish Councillor is nominated to check each invoice against the cheque book and associated paperwork and initials the invoices. The Parish Council approves the list of requests for payment. The Parish Council has minimal stocks, these are checked and monitored by the Parish Clerk. Unpaid invoices to the Parish 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 process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure. A Grants Policy and application form was introduced in November 2012.	Existing procedure adequate. Parish Councillors to request S137 rules if required.
Grants - receivable	Receipts of Grant	L	The Parish Council does not presently receive any regular grants. One off grant would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required.
Charges - rentals receivable	Receipt of rental	Negative	Presently we have no arrangements in place	
Best value Accountability	Work awarded incorrectly Overspend on services	L L	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. Council need to specify exactly how it wants a contract to be carried out i.e., in house or by contractor.
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 Online banking controls and Measures	L L L L L L L	The Parish Council authorises the appointment of all employees through the Personnel Committee. Salary rates are assessed annually by the Personnel 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 available for inspection at the Parish Council Meetings. The Tax and NI is worked out using an Inland Revenue computer programme updated regularly. All Tax and NI payments are submitted in the Inland Revenue Annual Return. The Village Caretaker has a contract of employment and job description. There work is supervised by Brothers of Charity Services England and periodically by the Parish Clerk The Clerk has a contract of employment and job description. All contracts of employment contain a section on overpayment and recoup. Following review, salary cheques/standing orders written out in advance and paid on time.	Existing appointment system adequate. A Personnel Committee was set up to deal with any queries or scheduled business. Further details on salaries are contained in the Financial Regulations.

FINANCIAL AND MANAGEMENT

Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Employees	Loss of key personnel Fraud by staff Actions undertaken by staff Health & Safety	L 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 Village Caretaker 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.
VAT	Re-claiming/charging	L	The Parish Council has Financial Regulations which set out the requirements. VAT is reclaimed regularly.	Existing procedure adequate.
Employers Annual Return	Paying and accounting for NI and Tax of employee's 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 L	Internal auditor is appointed by the Parish 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. Internal Auditor to be appointed
Annual Return	Completion/Submission within time limits	L	Annual Return is completed and signed by the Parish 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 each Parish 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.
Website	Information is up to date compliant with the new Accessibility Regulations.	L L	The Parish Clerk regularly reviews the website content. Steps were taken to ensure the website was compliant by 23 September 2020.	Existing procedure adequate.

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Members interests	Conflict of interest Register of Members interests	L L	The declaring of interests by members at a meeting is on the agenda to remind Councillors of their duty. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate. Members to take responsibility to update their Register.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L L	A 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.
Data protection	Policy Provision	L-M	The Parish Council is registered with the Information Commissioners Office (ICO). The changes required following the introduction of the new GDPR requirements introduced in 2018 have been implemented. It has been agreed that all Parish Councillors be offered a 'avpc.org.uk email address which to be used for all Parish Council business in line with the advice issued by the Information Commissioners Office.	Ensure annual renewal of registration.
Freedom of Information Act	Policy Provision	L-M	The Parish Council has a model publication scheme for Local Councils in place. The Clerk/Council are 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.
GDPR	GDPR breach SAR request	L	The Parish Council cannot avoid or anticipate a Subject Access Request but can guard against and GDPR breach. Anti-virus protection is on the Lap-Top and annually renewed. Information is not kept beyond when necessary. It has been agreed that all Parish Councillors be offered a 'avpc.org.uk email address which to be used for all Parish Council business in line with the advice issued by the Information Commissioners Office (ICO)	The procedures need to be put into a document for approval and review.

FINANCIAL RISK THROUGH EQUIPMENT LOSS OR DAMAGE

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 updated in September 2020 in accordance with Audit suggestions.
Maintenance	Poor performance of assets 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.	Existing procedure adequate. Ensure inspections carried out.
Asset damage /loss	Street furniture, SPID, noticeboards etc damage or loss or in need of repair	L	The Parish Council is responsible for two boundary signs, seats, bike hoops, planters - all covered by insurance. No formalised programme of inspections is carried out, all reports of damage or faults are reported to the Parish Council and/or dealt with. Problems will be reported. Councillors to monitor and report problems	Clerk monitor reports
Asset damage /loss	Office equipment	L	The Parish Council's lap top computer and Kyocera M5526CDW Printer. – covered by insurance. The laptop is kept in a carry bag to protect it.	The office equipment requirements were reviewed in September 2020.
Notice boards	Risk/damage/injury to third parties Roadside safety	L L	The Parish Council has 3 notice boards sited in the village. 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.
Meeting location	Adequacy Health & Safety	L L	The Parish Council Meetings are usually held at the Community Centre. However, during the Covid-19 Pandemic, virtual meetings will be held via Zoom. The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects. Problems will be reported.	Existing locations adequate.
Council records - paper	Loss through: Theft; fire. Damage	L L L	The Parish Council records are stored at the home of the Clerk. Records include minute books and copies, records such as personnel, insurance, salaries etc. Recent materials are in a metal filing cabinet (not fireproof) 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 L	The Parish Council's electronic records are stored on the Parish Council's laptop. Back-ups of the files are taken utilising a Cloud provider.	Documents held by the Parish Council are backed up via the 'Cloud'.
Damage	Wilful damage and graffiti	M	Monitored and reported by all to the Clerk or CBC/LCC for quick repairs/cleaning.	

Reviewed by the Parish Council on 4 November 2020