**TILFORD PARISH COUNCIL**

**FINANCIAL RISK ASSESSMENT AND MANAGEMENT**

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| **Document Change Record** |
| **Date** | **Version/Amendments** | **Council Minute Number** |
| 15th May 2019 | Version 2Version 3 | Reviewed 5th December (84/19 e) |

 **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 make it possible to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the Council should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible; ensuring that all councillors, and the clerk, 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

In the following table

H = High risk

M = Medium risk

L = Low risk

NEG = Negative

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| **TILFORD FINANCIAL RISK ASSESSMENT AND MANAGEMENT** |
| **Subject** | **Risks Identified** | **H/M/****L/NEG** | **Management control of risks** | **Review/Assess/Revise** |
| Councillors  | Losing Councillormembership Having more than 4 vacancies at any one time | LL | When a vacancy arises there is a legal process to follow. This either leads to a By-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 4 vacancies at any one time on the Council it becomes inquorate. The legal process of Waverley Bough Council (WBC) appointing members takes place. | Existing proceduresadequate.Procedures of another bodyare adequate |
| Businesscontinuity | Risk of Council notbeing able to continueits business due to anunexpected or tragiccircumstance. | L | Reference should be made to a business continuity plan.  | A business continuity plan is in place |
| Precept | Adequacy of preceptPrecept request notsubmitted to WBC intimeAmount not received by WBC. | LLL | To determine the precept amount required, the Parish Council regularly receives updates on expenditure against budgets. At the Precept meeting the Council receives, from the clerk, a budget update report, including actual position and projected position to end the year and indicative figures or costings. 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 Council then decides if the expected expenditure should be the precept requested, of if any funds should be taken from Reserves. Once the precept amount to be requested from WBC has been resolved this figure is submitted by the Clerk in writing to WBC.Precept should be considered by Council before the deadline - deadline should be ascertained from WBC asap.The Clerk informs Council when the monies are received (usually April). | Existing procedure adequate |
| Financial records | Inadequate records.Financial irregularities | LL | The Council has Financial Regulations which set out the requirements | Existing procedure adequate.Financial Regulations reviewed annually. |
| Bank and bankingBank and banking (cont.) | Inadequate checksBank mistakes/LossChargesLoss of signatories | LLLL | The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.The Bank may make occasional errors in processing cheques which are discovered whenthe 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 choose replacements but the Bank may take time to implement changes, this mostly happens after an AGM/election. | Existing procedures adequate. |
| Cash / Loss | Loss through theft ordishonesty | LL | The Council has Financial Regulations which set out the requirements.Cash/cheques received are banked within 3 banking days. Cash is taken from a donations box at the Riverside, usually twice a year. The clerk banks donations as soon as possible (coins often need washing). The donation box is to be opened and contents counted with one other councillor present. | Existing procedure adequate. |
| Litigation  | Potential risk of legalaction being takenagainst 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.The Council accepts no liability against the playing of cricket on the Green. | Insurance is adequate forrequirements but there is stillrisk of other claims. |
| Reportingand auditing | InformationcommunicationCompliance | LM | A monitoring statement is produced regularly and presented to Council, discussed andapproved at the meeting. This statement should include bank reconciliations, budget update, and a breakdown of receipts and payments.Council should regularly audit internally to comply with the Fidelity Guarantee | Existing procedure adequate. |
| Direct costsOverheadexpenses | Goods not supplied but billedIncorrect invoicingCheque payableincorrect | LLL | The Council has Financial Regulations which set out the requirements.The clerk checks each invoice before raising a cheque.Two Councillors will check each invoice against the cheque book and associated paperwork, when they sign a cheque. They will initial the invoices and cheque stubs.  | Existing procedure adequate |
| Grants andsupport -payable | Power to payAuthorisation of Council to pay | L | All such expenditure goes through the required Council process of approval, minuted andlisted accordingly if a payment is made using the S137 power of expenditure | Existing procedure adequate. Parish Councillors requestS137 rules if required. |
| Grants -receivable | Receipts of Grant | L | The Parish Council does not presently receive any regular grants. One off grants maycome with terms and conditions to be satisfied. | Procedure would need to beformed, if required. Review of new grant policy |
| Charges –rentals payable | Payments of charges,leases, rentals | L | The Parish Council is only liable for the cost of use of The Tilford Institute for Council meetings. | Existing procedure adequate |
| Charges – Loans payable |  | NEG | No borrowing is likely at present.  | Existing procedure adequate. Review Financial Regulations if borrowing becomes necessary |
| Best valueAccountability | Work awardedincorrectlyOverspend on services | LM | 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 in annual review ofFinancial Regulations |
| Salaries andassociatedcosts | Salary paid incorrectlyWrong hours paidWrong rate paidFalse employeeWrong deductions of NI or Tax. Unpaid Tax & NI contributions to theInland Revenue. | LLLLLL | Salary rates are assessed annually by Council and applied on 1 October each year. Payroll provision is managed by Maxell & Co. LtdTax and NI is calculated using the Inland Revenue online RTI systemPAYE and NIC contributions are paid quarterly to the Inland Revenue. | A Confidential session at the TPC budget meeting needs to be held to carry out the annual review.Maxwells appointed as payroll provider |
| Employees | Employment of a clerkLoss of ClerkFraud by ClerkActions undertaken by clerk.Health and Safety | LLLLL | The Parish Council must authorise the appointment of employees through council meetings. 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 clerk works from home and should not arrange meetings there, but in a mutually agreeable venue in Tilford. Clerk has a dedicated mobile phone for Council work. | Appointments to be minuted.Current clerk needs a contract and job description.Continuity Plan Purchase revised books. |
| Councillorallowances | Councillors over-paid | NEG | No allowances are allocated to Parish Councillors. | No procedure required. |
| Electioncosts | Risk of an election cost | M | Risk is higher in an election year. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process.  | Council should consider precepting a small amount each year for the eventuality of an election being called. |
| VAT | Re-claiming | L | The Council has Financial Regulations which set out the requirements. VAT is claimedregularly. | Existing procedure adequate |
| EmployersAnnual Return | Paying and accountingfor NI and Tax ofemployees’ salaries | L | Employer’s Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the Clerk. Payroll provider appointed April 2019. | Existing procedure adequateMaxwells and Co. now appointed |
| Audit - Internal | Audit -Completion within time limits | L | Internal auditor is appointed by the Council. Internal auditor is supplied with the relevantdocuments to audit and the form to complete and sign for the External Auditor. Procedures should be covered in a ‘Review of Effectiveness of the system of Internal Audit’. This should be reviewed annually.  | Statement of Internal Control now in place |
| Annual Return | Completion /Submissionwithin 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 |
| Legalpowers | Illegal activity orPayments (ultra vires) | L | All activity and payments within the powers of the Parish Council to be resolved and minuted at Parish Council Meetings.  | Existing procedure adequate. |
| Minutes / Agendas / NoticesStatutorydocuments | Accuracy and legalityBusiness conduct | LL | 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 Chairshould be given (if required).Members to adhere to Codeof Conduct |
| Membersinterests | Conflict of interestRegister of MembersInterests | LM | 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 responsibilityto update their Register |
| Insurance. | Adequacy/CostComplianceFidelity Guarantee | LLM | An annual review is undertaken (before the time of the policy renewal) of all insurancearrangements 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. | Review insurance provisionannually.Review of compliance |
| Data protection | Policy Provision | L | The Council is registered with the Data Protection Agency. | Existing procedure adequate |
| Freedom ofInformationAct | PolicyProvision | LM | 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 5 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 anyimpacts of requests madeunder the Freedom of Information Act. |
| Assets | Loss or DamageRisk/damage to thirdparty(ies)/property | LL | An annual review of assets is undertaken for insurance provision, storage and maintenance provisions. | Asset register to be updatedannually or when new purchase made. |
| Maintenance | Poor performance ofassets or amenitiesRisk to third parties | LM | Assets owned by the Parish Council are regularly inspected and maintained. All repairsand relevant expenditure for these repairs are actioned/authorised in accordance with thecorrect procedures of the Parish Council. Assets are insured and reviewed annually.All public amenity land is inspected regularly. | Existing procedure adequate.Ensure inspections carriedout. |
| Notice boards | Risk/damage/injury tothird parties | L | Parish Council has three notice boards sited at the Village Shop and Stockbridge and Riverside car park. Key to shop notice board held by the clerk. | Existing procedure adequate. |
| Streetfurniture | Risk/damage/injury tothird parties | L | The Parish Council is responsible for the benches on the Village Green.  | Existing procedure adequate. |
| Meeting location | AdequacyHealth & Safety | L | The Parish Council Meetings are held at The Tilford Institute. 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 or damage | LM | The Parish Council records are stored in 2 locations – historical records are with Surrey County Council archive in Woking.  Current records are held in a filing clerk at the clerk’s home. | Damage (apart from fire) andtheft is unlikely and soprovision adequate |
| Council records - electronic | Loss through: theft,fire, damagecorruption of computer | L/MM | Council’s electronic records are stored on the Clerk’s Parish laptop. own computer. Back-ups are taken monthly on an external drive.  | Back up of electronic files onto external drive. |