**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 2  Version 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 Councillor  membership  Having more than 4 vacancies at any one time | L  L | 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 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 | Reference should be made to a business continuity plan. | A business continuity plan is in place |
| Precept | Adequacy of precept  Precept request not  submitted to WBC in  time  Amount not received by WBC. | L  L  L | 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 | L  L | The Council has Financial Regulations which set out the requirements | Existing procedure adequate.  Financial Regulations reviewed annually. |
| Bank and banking  Bank and banking (cont.) | 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 may 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 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 or  dishonesty | L  L | 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 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.  The Council accepts no liability against the playing of cricket on the Green. | 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 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 costs  Overhead  expenses | Goods not supplied but billed  Incorrect invoicing  Cheque payable  incorrect | L  L  L | 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 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 may  come with terms and conditions to be satisfied. | Procedure would need to be  formed, 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 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 in annual review of  Financial Regulations |
| Salaries and  associated  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 | Salary rates are assessed annually by Council and applied on 1 October each year.  Payroll provision is managed by Maxell & Co. Ltd  Tax and NI is calculated using the Inland Revenue online RTI system  PAYE 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 clerk  Loss of Clerk  Fraud by Clerk  Actions undertaken by clerk.  Health and Safety | L  L  L  L  L | 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. |
| Councillor  allowances | Councillors over-paid | NEG | No allowances are allocated to Parish Councillors. | No procedure required. |
| Election  costs | 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 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. Payroll provider appointed April 2019. | Existing procedure adequate  Maxwells 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 relevant  documents 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 /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 (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 / 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  . | Adequacy/Cost  Compliance  Fidelity Guarantee | 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. | Review insurance provision  annually.  Review of compliance |
| Data protection | Policy Provision | L | The Council is registered with the Data Protection Agency. | Existing procedure adequate |
| 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 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 any  impacts of requests made  under the Freedom of Information Act. |
| 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  annually or when new purchase made. |
| Maintenance | Poor performance of  assets or amenities  Risk to third parties | L  M | Assets owned by the Parish Council are regularly inspected and maintained. All repairs  and relevant expenditure for these repairs are actioned/authorised in accordance with the  correct procedures of the Parish Council. Assets are insured and reviewed annually.  All public amenity land is inspected regularly. | Existing procedure adequate.  Ensure inspections carried  out. |
| Notice boards | Risk/damage/injury to  third 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. |
| Street  furniture | Risk/damage/injury to  third parties | L | The Parish Council is responsible for the benches on the Village Green. | Existing procedure adequate. |
| Meeting location | Adequacy  Health & 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 | L  M | 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) and  theft is unlikely and so  provision adequate |
| Council records - electronic | Loss through: theft,  fire, damage  corruption of computer | L/M  M | 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. |