

Littlemore Parish Council - Finance Risk Assessment & Management 2021

Subject	Risks Identified	H/M/L	Management control of risks	Review/Assess/Revise
Precept	Adequacy of precept	L	To determine the precept amount. The Council receives a budget update report, including actual position and projected position to end of year against budget and indicative figures of costs and income for the next year 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 and agrees the total budget. The amount between income and expenditure is the value that needs to be met and the Council makes a Resolution as to the amount of precept to request.	Existing procedures adequate
	Requirements not submitted to OCC in time	L	This figure is submitted by the Clerk in writing to OCC.	Existing procedures adequate
	Amount not received by OCC.	L	The Clerk informs Council when the monies are received (approx April & September time).	Existing procedures adequate
Banking Arrangements and Procedures	Accounts & Bank Reconciliation	L	One current bank account used for day to day services and wages daily by RFO. Accounts are reconciled using the RBS Accounts system. Transfers are made by Clerk as authorised in the Financial Regulations.	Existing procedure adequate
	Inadequate checks	L	No one person has access to monies held in accounts	Review the Financial Regulations when necessary.
	Bank mistakes Loss	L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. Finance Committee appoints a Cllr to check bank reconciliation and report to the council.	Monitor the bank statements monthly.
	Charges	L	The Parish Council has four active bank accounts, 2 with Lloyds (no operational cost), 1 Unity Trust Account (4 charges per year of £18 per 1/4), 1 Post Office savings account. Council hold 2 charge cards at fee of £32 per year	Existing procedure adequate
	Payments	L	Each payment is released (BACS) or signed (cheque) by 2 councillors as detailed on all bank mandates	Review bank signatory list annually
Maintaining Financial records & systems that are correct and comply with accounting practice	Inadequate records Financial irregularities	L	The Council has Financial Regulations. Financial transactions are recorded by the Clerk at least monthly and financial reports presented to council. An independent auditor checks the records on an annual basis ensuring compliance with VAT, tax and NI conditions and accuracy of accounts as part of the internal audit process	Existing procedure adequate. Review the Financial Regulations when necessary
	Adverse audit reports, legal action and loss of confidence in Town Council.	L	Year-end accounts are drawn up and submitted along with the annual return	Existing procedure adequate

	Loss of income through error or fraud	L	Clerk keeps up to date with legislative changes.	Parish Clerk continually reviews controls and current procedures
	The RBS accounts system is used which is an accepted accounts package for local authorities.	L	Hard copies linked to council reports are held on file together with bank reconciliation reports, invoices/receipts/payments and cheques issued.	Existing procedure adequate
	Loss of key staff trained in financial systems and processes	L	Fidelity Guarantee Insurance	Review Insurance Policy annually
	Financial Regulations become out of date with change in technology, regulations or business.	L	The Clerk to react to any changes in legislation or other areas in order to ensure the regulations are fully compliant and also provides a strong framework compatible with Council's practices	Review Financial Regulations at least every two years.
	Lack of budgetary overview/overspend against budget.	L	Monthly review of Income and Expenditure by Finance Committee.	Existing procedure adequate
	Urgent commitments (with safety implications)	L	Contingency included in budget.	Existing procedure adequate
Direct costs Overhead expenses Debts	Goods not supplied but billed	L	The Council has Financial Regulations which set out the requirements.	Review the Financial Regulations when necessary.
	Incorrect invoicing	L	Two Councillors check each invoice against the cheque book/payment method and associated paperwork and sign the invoice and cheque stub (if used).	Existing procedure adequate
	Loss of stock	L	The Council has minimal stocks, these are checked and monitored by the Clerk/Maintenance Team.	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.	Existing procedure adequate
Grants Receivable	Receipts of Grant	L	The Parish Council does not presently receive any regular grants. One off grants would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required
All actions taken by the Council comply with current legislation	Non-compliance with legislation or practice leading to the Council being "Ultra Vires"	L	Clerk to keep up to date with changes in legislation seeking advice when necessary attending relevant training sessions. Staff and Councillors to attend training sessions when relevant Memberships of SLCC, NALC and OALC.	Review training records annually Review training records annually
	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Finance/ Full Parish Council Meetings.	Membership to be renewed yearly and form part of budget Existing procedure adequate

Best value Accountability	Work awarded incorrectly Overspend on services	L	Council practice would be to seek, if possible, three quotations for any work required to be undertaken or goods where the cost is more than £2,500.	Existing procedure adequate. Included in Financial Regulations.
			For major contract services, where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (Amended November 2020) which is valued at £25,000 or more, the council will comply with the relevant requirements of the Regulations which require councils to use the Contracts Finder website to advertise contract opportunities.	Existing procedure adequate. Included in Financial Regulations.
			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.	Existing procedure adequate. Included in Financial Regulations.
Salaries and assoc. costs	Salary paid incorrectly	L	The Personnel Committee authorises the appointment of all employees. The Council authorises the creation of new roles. Each member of staff has a contract of employment and job description	Existing procedure adequate
	Wrong hours or hourly rates paid	L	Salary rates are agreed in contract and any amendment agreed by council and recorded in personnel files.	Existing procedure adequate
	Wrong deductions of NI or Tax	L	Salary analysis and slips are produced by the Clerk monthly together with a schedule of payments to the Inland Revenue (for Tax and NI) & pension to the Council. These are inspected at Finance meetings	Existing procedure adequate
	Unpaid Tax & NI contributions to the Inland Revenue.	L	All salary, pension, Tax and NI contributions are worked out by the Clerk. All Tax and NI payments are submitted by the Clerk.	Existing procedure adequate
	Staff pensions	L	Employer's Annual Return is completed by DM Payroll and submitted online to the Inland Revenue within the prescribed time frame	Existing procedure adequate
Employees	Loss of key personnel	L	Long term incapacity of Clerk (more than 3 months) would be covered by appointment of temporary Clerk through OALC/SLCC.	Existing procedure adequate
	Health & Safety	L	The Clerk should be provided with relevant training, reference books, access to professional and legal advice required to undertake the role. The Maintenance Team should be provided with adequate direction and safety equipment needed to undertake the roles, ie. protective clothing and training.	Purchase upto date reference books, ensure membership to outside are upto date. Monitor working conditions, training for staff and regularly review insurance
	Actions undertaken by staff	L	The Clerk should be provided with relevant training. Appraisals are carried out annually with one to one interviews	Existing procedure adequate
	Fraud by staff	L	The requirements of the Fidelity Guarantee Insurance to be adhered to with regards to Fraud.	Reviewed annually with insurance policy
Election costs	Risk of an election cost	L/M	Risk is higher in an election year. When an election is due the Clerk will obtain an estimate of costs from OCC for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. The annual budget is set with this in mind.	Existing procedure adequate

VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT returns are lodged on a yearly basis in line with accepted procedures	Existing procedure adequate
Annual Governance and Accountability Return (AGAR)	Submit within time limits	L	The AGAR is completed by the RFO and Internal Auditor then presented to the Council for approval and is signed by the chairman of the Council at a full Council meeting. Once approved and signed by the Council it is sent on to the External Auditor within time limit with the supporting information requested.	Existing procedure adequate
Insurance	Adequacy Cost Compliance Fidelity Guarantee	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.	Existing procedure adequate
			Ensure compliance measures and Fidelity checks are in place.	Existing procedure adequate
			Parish Council use BHIB and BJP insurance brokers who are a recognised provider for Town & Parish Councils.	Review insurance as required
Data Protection	Policy Provision	L	Registration with the Data Protection Agency	Review annually
Freedom of Information Act	Policy Provision	L	The Council has a model publication scheme for Local Councils in place.	Monitor and report any impacts of requests made under the FOI Act

Reviewed and Agreed 1 April 2021