

LITTLEMORE PARISH COUNCIL – Financial Risk Assessment

FINANCIAL AND MANAGEMENT

Subject	Risks Identified	H/M/L	Management control of risks	Review/Assess/Revise
Councillors	Losing Councillor membership.	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.	Existing procedures adequate.
		L	An election is out of the Parish Council's control. The Parish Council must pay full costs towards any election conducted in name of Littlemore Parish Council.	Procedures of another body are adequate
			The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment.	
Precept	Adequacy of precept	L	Regular budget review by Full Council	Existing procedure adequate
	Requirements not submitted to OCC in time	L	Precept should be considered by Council before the deadline - deadline should be ascertained from OCC asap.	
	Amount not received by OCC.	L	The Clerk informs Council when the monies are received.	
Financial records	Inadequate records Financial irregularities	L	The Council has Financial Regulations which set out the requirements	Existing procedure adequate. Review of Financial Regulations Annually.
Bank and banking	Inadequate checks	L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.	Existing procedures adequate.
	Bank mistakes	L	The Clerk reconciles the bank accounts once a month when the statement arrives and is checked by Councillor of Finance Committee, any problems/irregularities are dealt with immediately by informing the bank and awaiting their correction. Monitor the bank statements monthly.	Existing procedures adequate.
	Loss	L	Any losses must be reported to Full Council	Existing procedures adequate.
	Charges	L	Any Charges occurred must be checked to ensure they are correct, reported to Full Council.	Existing procedures adequate.
	Loss of signatories	L	Council would choose replacements but the Bank takes time to implement changes, this mostly happens after an AGM/election.	Existing procedures adequate.
Internet banking		L	As is required by Standing Orders: the clerk will access internet banking sites directly and not via a search engine.	Existing procedures adequate.

Cash / Loss	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements. The Council is also insured via came and company insurance.	Existing procedure adequate.
Cash/Cheque Paying in	Bank Processing	L	Cash/cheques received are banked within 3 banking days if possible.	Existing procedure adequate
Cash in Hand	Petty Cash	L	Petty Cash is kept in locked money box, in filing cabinet at Littlemore Community Centre Office. Keys are held by Clerk and Cllr Tina Hill to Money box, a hard copy of cash and electronic copy of cash flow is maintained. This is audited by the Internal Auditor annually.	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	A Finance report is produced monthly and presented to Council, discussed and approved at the meeting. This report includes, bank reconciliation and a breakdown of receipts and payments balanced against the bank.	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. Grant application form has been devised to keep up to date records of applications.	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
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 Annually.
Salaries and assoc. costs	Salary paid incorrectly Wrong hours paid Wrong rate paid 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 all council meetings. Salary rates are assessed annually by Council. The Clerk's report details payments to the Inland Revenue (for Tax and NI). These are inspected at the Council meetings and signed off. The Tax and NI is worked out using an Inland Revenue computer programme updated annually. All Tax and NI payments are submitted in the Inland Revenue Annual Return. The Clerk has a contract of employment and job description. Salaries are paid in arrears, but if a meeting is cancelled or moved then payments could be late or missed.	Existing appointment system adequate. A Confidential session, at a nominated PC meeting, needs to be held to carry out an annual review.

Employees	Loss of Clerk	L	Reference to a Continuity Plan should be made in case of loss of key personnel. The requirements of the insurance to be adhered to with regards to Fraud.	Existing procedure Membership of the SLCC.
Clerk	Fraud by Clerk	L	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Monitor working conditions, safety requirements and insurance regularly.
	Actions undertaken by clerk. Health and Safety	L	Health & Safety issues relating to the clerk are with regard to working at home and driving to/from Council meetings. The clerk's own car insurance covers travel to and from a place of work and mileage paid at rate of 45p per mile	
Councillor allowances	Councillors over-paid Income tax deduction	Negative	No allowances are allocated to Parish Councillors.	No procedure required.
Election costs	Risk of an election cost	H	Risk is higher in an election year. When a scheduled election is due the Clerk will obtain an estimate of costs from the City Council. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process.	Council should consider saving each year to cover all costs
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT is claimed twice a year.	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 payroll.	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.	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 should be reviewed regularly by Councillors.	Existing procedure adequate. Members take responsibility to update their Register
Insurance	Adequacy Cost Compliance	L L L	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.	Existing procedure adequate. Review insurance provision annually.

	Fidelity Guarantee			Review of compliance
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
Maintenance	Poor performance of assets or amenities Risk to third parties	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.
Assets	Loss/damage/injury to third parties	L L	Insurance and asset registers are updated annually.	Existing procedure adequate
Meeting location	Adequacy Health & Safety	L M	The Parish Council Meetings are held at Littlemore Community centre. The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety, Disability Discrimination and comfort aspects	Existing location adequate.
Council records - electronic The Parish	Loss through: Theft, fire, damage corruption of computer	L M	Council's electronic records are stored on the Clerks computer. Back-ups of the files are taken at regular intervals and a copy given to the Chairman.	Existing procedure adequate.

Reviewed at meeting held on TUESDAY 12 SEPTEMBER 2017

Signed by: A.M. Campbell