

Financial Risk Assessment Salhouse Parish Council

May 2018

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

Audit Commission – Worth the Risk: Improving Risk Management in Local Government (2001:5)

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. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focuses approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- Identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses and revises procedures if required.

1 - MANAGEMENT

SUBJECT	RISK IDENTIFIED	HIGH / MEDIUM / LOW	MANAGEMENT / RISK CONTROL	REVIEW / ASSESS / REVISE
Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance	Low	<p>All files and recent records are kept at the clerk's home. The clerk makes at least a monthly back up of files on to a stand alone hard drive which is kept away from the clerk's office.</p> <p>In the event of the clerk being unavailable due to unexpected or tragic circumstance and records need to be accessed contact should in the first instance be with her husband. If he also is unavailable due to the same circumstances, then the council should contact next of kin</p>	<p>Review when necessary</p> <p>Ensure procedures are undertaken</p>
Meeting Location	<p>Adequacy of location</p> <p>Health and Safety</p>	Low	<p>Meetings are held in the Jubilee Hall. Clerk and one other Councillor has a key and in the event of either of these being indisposed the Chairman will contact a Jubilee Hall Committee Member for access to the building.</p> <p>All the premises and facilities are considered to be adequate for the Clerk, Councillors and any Public who attend from a health and safety and comfort aspect.</p>	Existing procedure adequate
Council Records	Loss through theft, fire, damage	Low	Papers, both current and archived are held in a locked metal filing cabinet or on shelves in the clerk's office.	Damage or Theft is unlikely, so provision is adequate
Council Records electronic	Loss through damage, fire, corruption of data	Medium	The Parish Council's electronic records are stored on the clerk's computer. Back-ups of the files are taken at least at monthly intervals and kept away from the clerk's office.	Existing procedure adequate

2 - FINANCE

Precept	Adequacy of Precept	Medium	<p>Sound budgeting to underlie annual precept. The Parish Council receives monthly budget update information and detailed budgets in the late autumn. A finance meeting takes place in December.</p> <p>Expenditure to date against budgeted expenditure in each category presented to the council at each meeting</p>	<p>Existing procedures adequate</p> <p>Ensure monthly budget updates provided.</p>
Insurance	Adequacy Cost Compliance Fidelity Guarantee	Low Low Low Low	<p>An annual review is undertaken of all insurance arrangements in place.</p> <p>Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement. The limits of indemnity are considered adequate for the council's needs</p>	<p>Existing procedures adequate</p> <p>Review provision and compliance annually</p>
Banking	Inadequate checks	Low	<p>The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts</p>	<p>Existing procedures adequate</p> <p>Review Financial Regulations as necessary</p>
Cash	Loss through Theft or dishonesty	Low	<p>The Council has no petty cash or float. Any cash transactions are made by the clerk, are fully receipted and then reimbursed monthly or paid by cheque on receipt of an invoice</p>	<p>Existing procedures adequate</p>
Financial controls and records	Inadequate checks	Low	<p>Monthly reconciliation prepared by RFO and checked by the Chair of the Parish Council. Two signatories on cheques. Internal and external audit.</p> <p>Any financial obligation must be resolved and clearly minuted before any commitment. All payments must be resolved and clearly minuted.</p> <p>Any s137 payments must be recorded at time of approval</p> <p>External audit report should be made available to the council</p>	<p>Existing procedures adequate</p>
Freedom of Information Act	Policy Provision	Low / Medium	<p>The Council has a model publication scheme for Local Councils in place.</p> <p>The clerk is aware that if a substantial request arrives then this may require many hours of additional work.</p>	<p>Monitor and report any impacts made under Freedom of Information Act</p>

			The Council is able to request a fee if the work will take over 15 hours. However, the request can be resubmitted, broken down into sections, thus negating the payment of a fee	
Clerk	Loss of Clerk	Medium	A contingency fund should be established to enable training for the Cilca qualification in the event of the clerk resigning	Include in financial statement when setting precept
	Fraud	Low	The requirements of Fidelity Guarantee insurance must be adhered to	
	Actions undertaken	Low	Clerk should be provided with relevant training, reference books, access to assistance and legal advice	Membership of SLCC maintained Monitor working conditions
	Salary paid incorrectly	Low	Clerk deals with her own salary payment and tax returns. Figures are checked against the payment schedule monthly.	
Election Costs	Risk of Election cost	Medium	Risk is higher in an election year. There are no measures, which can be adopted to minimise risk of having a contested election. A contingency fund should be established to meet the costs.	Include in financial statement when setting precept
VAT	Re-claiming / charging	Low	The Council has financial regulations which set out the requirements	Existing procedures adequate
Annual Return	Not submitted within time limits	Low	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 procedures adequate

3 - ASSETS

Street furniture and playground equipment	Damage to play equipment and benches etc etc.	Low	<p>An asset register is kept up to date and insurance is held at the appropriate level for all items. Regular checks are made on all equipment by members of the Parish Council and a contractor</p> <p>Provision for repairs within the policy excess to be made</p>	<p>Existing procedures adequate</p> <p>Include in financial statement when setting precept</p>
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4 - LIABILITY

Legal Powers	<p>Illegal activity or payments</p> <p>Working Parties taking decisions</p>	Low	<p>All activity and payments made within the powers of the Parish Council (not ultra vires) and to be resolved and clearly minuted.</p> <p>Ensure established with clear terms of reference.</p>	<p>Existing procedures adequate</p> <p>Monitor on monthly basis</p>
Minutes / Agendas / Statutory documents	Accuracy and legality Non-compliance with statutory requirements	Low	<p>Minutes and agendas are produced in the prescribed method and adhere to legal requirements</p> <p>Minutes are approved and signed at next meeting</p> <p>Minutes and agendas are displayed according to legal requirements</p> <p>Business conducted at Council meetings should be managed by the Chairman</p>	<p>Existing procedures adequate</p> <p>Undertake adequate training</p> <p>Members to adhere to Code of Conduct</p>
Public Liability	Risk to Third Party Property or Persons	Low	Insurance is in place. Risk assessment of any individual event undertaken	Existing procedures adequate
Employer Liability	Non-compliance with employment law	Low	Undertake adequate training and seek advice from Parish and Community Development Team at	Existing procedures

			County Hall	adequate
Legal Liability	Legality of Activities	Medium	Clerk to clarify legal position on proposals and to seek advice if necessary	Existing procedures adequate
	Proper and timely reporting via Minutes	Low	Council always receives and approves minutes at monthly meetings	Existing procedures adequate
	Proper document control	Low	Retention of document policy in place	Existing procedures adequate

5 - COUNCILLORS PROPRIETY

Members Interests	Conflict of Interest	Medium	Councillors have a duty to declare any interest at the start of the meeting	Existing procedures adequate
	Register of Members Interests	Low	Register of Members Interests form to be reviewed at least on an annual basis	Members to take responsibility to update their register

SALHOUSE PARISH COUNCIL RISK ASSESSMENT SCHEDULE TO BE REVIEWED ANNUALLY

ITEM	FREQUENCY	LAST REVIEWED	COMMENTS / ACTIONS
Parish Council Insurance Including Public and Employers Liability Money and Fidelity Guarantee Personal Accident	Annually		
Assets inspection	Ongoing		
Financial Matters			

Banking Arrangements Insurance Providers VAT Return completed Budget agreed, monitored and reported Precept requested	Annually Annually Annually Monthly Annually		
Payments approval procedure Bank reconciliation overseen by Chairmen Clerks salary reviewed and documented Internal Audit External Audit Internal check of financial procedures	Monthly Ongoing Annually Annually Annually Annually		
Administration Minutes properly numbered Asset register available / updated Financial Regulations reviewed Standing Orders reviewed Backups taken of Computer records	Ongoing Ongoing Annually Annually Monthly		
Employers Responsibilities Contract of employment in place Contractors indemnity insurance Written arrangements with contractors	Annually Ongoing Ongoing		
Member's responsibilities Code of Conduct adopted Register of Interests completed and updated Register of Gifts / Hospitality Declaration of Interests minuted	Ongoing Ongoing Ongoing Ongoing		

The information given above was agreed at the _____ meeting of Salhouse Parish Council.

Signed:

Chairman: _____

Clerk: _____

Dated: _____