

**Ashton Parish Council Financial Risk Assessment**

***“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 enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. Making sure that all employees 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.

Abbreviations used in the assessment:

WNC – West Northants Council

ICC – Parish Council Internal Council Controller (A nominated Parish Councillor)

Key:

**Column A – Risk of it actually happening to Hartwell Parish Council during this financial year**

**Column B – Impact it would have to Hartwell Parish Council if it were to happen**

H – High level of risk of it happening to Hartwell Parish Council and if it did would have a significant and major impact on the Parish Council’s ability to carry out its functions.

M – Medium level of risk of it happening to Hartwell Parish Council and if it did would have a considerable effect on the Parish Council’s ability to carry out its functions.

L – Low level of risk of it happening Hartwell Parish Council however if it did would have a minor and limited effect on the Parish Council’s ability to carry out its functions.

<b>FINANCIAL &amp; MANAGEMENT</b>					
<b>Subject</b>	<b>Risk(s) Identified</b>	<b>A</b>	<b>B</b>	<b>Management/Control of Risk</b>	<b>Review/ Assess/ Revise</b>
Councillors	Losing Councillor membership  or	H	H	When a vacancy arises there is a legal process to follow. This either leads to a bye-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,	Existing procedures adequate.

	having more than 7 vacancies at any one time.	L	H	consideration of applicants and co-option vote at a Council meeting then appointment.  If there are more than 5 vacancies at any one time on the Council it becomes inquorate. The legal process of the West Northamptonshire Council appointing members takes place.	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	H	The West Northamptonshire Council would step in with advice and guidance; it has the necessary protocols in place to ensure continuity for the parish.	Procedures of another body are adequate.
Precept	Adequacy of precept.  Requirements not submitted to WNC in time.  Amount not received from WNC.	L	M	To determine the precept amount required, the Parish Council regularly receives budget update information and the finance is an agenda item at full Council. At the Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings 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, the total of which is resolved to be the precept amount to be requested from West Northamptonshire Council.  This figure is submitted by the Clerk in writing to West Northamptonshire Council. Precept should be considered by Council before the deadline - deadline should be ascertained from West Northamptonshire Council asap.  The Clerk informs Council when the monies are received (approx April/May time). In the event of the monies not being received the Parish Council has a contingency fund totalling approx 50% of the amount required to run the parish for a year.	Existing procedure adequate.

Financial Records	Inadequate records. Financial irregularities.	L L	L L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate.
Bank & Banking	Inadequate checks  Loss & Charges  Loss of signatories	L  L L	L  M L	The Council has Financial Regulations which set out the requirements for online banking, cheques and reconciliation of accounts.  Monitor the online bank statements.  Council would choose replacements, but the bank takes time to implement changes, this mostly happens after an AGM/election.	Existing procedure adequate.
Cash / Loss	Loss through theft or dishonesty.	L	M	The Council has Financial Regulations which set out the requirements. Cash/cheques received are banked within 5 banking days. There is no petty cash or float. This is audited by the Internal Auditor annually.	Existing procedure adequate.
Litigation	Potential risk of legal action being taken against the Council.	L	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  L	L  M	An Internal Controls Cllr reviews procedures quarterly  Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing procedure adequate.
Direct costs, Overhead Expenses & Debts	Goods not supplied but billed.  Payments Paid Incorrectly.  Loss of stock.	L  L L	L  L L	The Council has Financial Regulations which set out the requirements.  Invoices are listed each month on the Full Council Agenda. Two Councillors are nominated to authorise these invoices online once passed by Council.  The Council has minimal stocks; these are checked and monitored by the Clerk.	Existing procedure adequate.

Grants and support - payable.	Power to pay.	L	L	All such expenditure goes through the required Council process of approval, minuted and listed accordingly.	
Grants - Receivable.	Mismanagement of funds received.	L	L	<p>The Parish Council does not presently receive any regular (more than 1 payment a year) grants.</p> <p>One off grants come with terms and conditions to be satisfied.</p> <p>The Parish Council receives an annual payment from EDF for the Wind Farm turbines located adjacent to the M1. This is approx. £6K PA (it adjusts with inflation and is index linked). The Parish Council has entered into a legal agreement on how these funds can be spent to benefit Hartwell Village. It is a joint document with the other affected villages surrounding the Wind Farm.</p>	<p>Procedure would need to be formed, if required.</p> <p>We currently meet all the stated terms and conditions for managing and spending these funds.</p>
Charges - rentals payable.	Payments of charges, leases, rentals	L	L	The Parish Council leases the recreation field from Charles Wells.	We currently meet all the stated terms and conditions for the lease.
Charges - rentals receivable	Receipt of rental	L	L	The Parish Council does not currently rent any land or buildings.	Procedure would need to be put in place, if required.
Best value Account-ability	<p>Work awarded incorrectly</p> <p>Overspend on services</p>	L	L	Normal Parish Council practice would be to seek, if possible, three quotations 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	Existing procedure adequate.

				and report to Council. This is covered in the Financial Regulations.	
Salaries and assoc. costs	Salary paid incorrectly.	L	L	The Parish Council authorises the appointment of all employees.	Existing appointment system adequate.
	Wrong hours paid.	L	L	Salary rates are assessed annually and applied from the 1 <sup>st</sup> April each year.	Existing payment system is Adequate.
	Wrong rate paid	L	L	Salary analysis and slips are produced by Payroll Provider monthly.	
	Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue	L	L	The Clerk has a contract of employment and job description.  Salaries are paid in arrears, but if a meeting is cancelled or moved then alternative payments dates are arranged and agreed with the council and employees.	Existing procedure adequate.
	Non compliance with The Pensions Regulator enrolment duties and resulting fine	L	L	The Parish Council annually nominates two people to be responsible for ensuring compliance is met. If one person resigns a replacement will nominated with immediate effect	Existing procedure adequate.
Employees	Loss of key personnel	L	M	In the short term duties would be undertaken by remaining personnel until a long term solution could be found. West Northamptonshire Council/NCALC to assist as and when necessary in implementing this.	Existing procedure adequate.
	Fraud by staff	L	M	The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.	
	Actions undertaken by Staff.	L	L	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Purchase revised books. Membership of the SLCC.
	Health & Safety	L	L	The Staff should be provided with adequate direction and safety equipment needed to	Monitor working conditions, safety requirements and insurance regularly.

				undertake the roles, i.e. protective clothing and training.	
Councillor allowances	Councillors over-paid  Income tax deduction	n/a  n/a	n/a  n/a	No allowances are allocated to Parish Councillors.	No procedure required.
Election costs	Risk of an election cost.	L	L	Risk is higher in an election year. When a scheduled election is due the Clerk will obtain an estimate of costs from the West Northamptonshire Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. The Council saves a sum each year to carry forward in case of an election at a four year interval but bye-elections are presently not accounted for.	Parish Council has precepted enough this year to build enough funds to ensure money is available during the next election year.
VAT	Re-claiming/charging	L	L	The Council has Financial Regulations which set out the requirements. VAT is claimed regularly.	Existing procedure adequate.
Audit - Internal Audit	Completion within time limits	L	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 are all covered in the 'Review of Effectiveness of the system of Internal Audit' which is reviewed annually.	Existing procedure adequate.
Annual Return	Completion/ Submission within time limits.	L	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	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings.	Existing procedure adequate.
Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality  Business conduct	L  L	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.	Existing procedure adequate.

				Minutes and agenda are displayed according to the legal requirements. Business conducted at Council meetings should be managed by the Chair.	Guidance/training to Chairman should be given (if required). Members to adhere to Code of Conduct.
Members interests	Conflict of interest.	M	L	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.	Existing procedure adequate.
	Register of Members interests	L	L	Register of Members Interest forms should be reviewed regularly by Councillors.	Members take responsibility to update their Register.
Insurance	Adequacy	L	L	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place.	Existing procedure adequate.
	Cost	L	L	Employers and Employee liability insurance is a requirement and must be paid for.	Review insurance provision annually.
	Compliance	L	L	Ensure compliance measures are in place.	Review of compliance.
	Fidelity Guarantee	L	M	Ensure Fidelity checks are in place.	
Data protection	Policy Provision	L	L	The Council is registered with the Data Protection Agency and follows GDPR good practise.	Existing procedure adequate.
Freedom of Information Act	Policy Provision	L	L	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 15 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 F of I Act.
<b>PHYSICAL EQUIPMENT OR AREAS</b>					
Assets	Loss or Damage Risk/damage to third party(ies) & property	M	L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset register updated annually.

Maintenance	Poor performance of assets or amenities	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. Ensure inspections carried out.
	Loss of income or Performance	L	L		
	Risk to third parties	L	L		
Notice boards	Risk/damage /injury to third parties	L	L	Parish Council has four notice boards sited around the village. All locations have approval by relevant parties, insurance cover, inspected regularly by the Clerk – any repairs/maintenance requirements brought to the attention of the Parish Council.	Existing procedure adequate
	Road side safety	L	L		
Street furniture	Risk/damage /injury to third parties	L	L	The Parish Council is responsible for signs, benches/seats, street lighting and a boundary wall which are covered by insurance. No formalised programme of inspections is carried out, all reports of damage or faults are reported to Council and/or dealt with.	Existing procedure adequate
Meeting location	Adequacy Health & Safety	L L	L L	The Parish Council Meetings are held at the Community Centre. 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 procedure adequate
Council records - paper	Loss through: theft fire damage	L M M	L M L	The Parish Council records are stored at the home of the Clerk. Records include historical correspondence, minute books and copies, leases for land or property, records such as personnel, insurance, salaries etc. Historic documents archived at the county records offices.	Damage and theft is unavoidable so provision adequate. Certain historical documents which cannot be archived will be stored off site in a filing cabinet.
Council records - electronic	Loss through: Theft, fire, damage corruption of computer	M	M	The Parish Council's electronic records are stored on the Clerk's computer. Online back-ups of the files are taken at regular intervals.	Existing procedure adequate.