Hemington, Luddington and Thurning Parish Council - Financial and Management Risk Assessment

This document has been produced to enable Hemington, Luddington and Thurning Parish Council to assess the financial and management risks that it faces and to satisfy itself that it has taken adequate steps to minimise them.

Risk No.	Subject	Risk(s) Identified (Description)	Risk Assessment	Mitigation / Control of Risk	Review / Assess / Revise
001	Precept	Adequacy of precept requirements.	Low	The budget is monitored on a bi-monthly basis by the Responsible Finance Officer (RFO).	Annually by Full Council
002		Ensure there are adequate funds for the forthcoming year.	Low	The Parish Clerk submits the draft precept figure to council annually in January. North Northamptonshire Council are notified in January.	Annually
003		Accuracy of precept submitted to PC.	Low	The precept will be for a fixed sum of money and will only be finally determined by the full Council when all relevant facts are known to the Council.	By resolution of the Full Council
004	Financial Records	Inadequate records.	Low	The Council has Financial Regulations that set out the requirements.	Existing procedure is adequate
005		Financial irregularities.	Low	The Council has Financial Regulations that set out the requirements. A transaction report is presented to each Council meeting.	Review Financial Regulations annually.
006	Bank & Banking	Inadequate Checks.	Low	The Council has Financial Regulations that set out the requirements for banking, cheques and the reconciliation of accounts in a simple framework. The bank reconciliation is checked at least four times annually by a nominated Councillor.	Existing procedures are adequate.

007		Bank errors	Low	If the Bank does make an error when processing cheques and cash these are found when the bank accounts are reconciled on a monthly basis, any error is immediately reported to the bank and corrected by them.	Review Financial Regulations annually and the bank signatory list when necessary, especially after the AGM and an election.
008		Loss.	Low	Losses would result from a bank error and these would be immediately reported to the bank. Possible losses from unauthorised access to the Council bank accounts are minimal as security codes used to access the accounts to which only the Parish Clerk, and nominated Councillors have access.	Monitor Bank Statements quarterly.
009	Cash	Loss through theft or dishonesty	Low	Cash and cheques are banked within 5 working days. Insurance cover is provided for infidelity.	Existing procedures are adequate. Review the Financial Regulations annually.
010	Reporting & Auditing	Information and communication	Low	The accounts are open to public examination each year as required by the Accounting and Audit Regulations. Interim financial reports to the Council are published on the Council's website.	Existing communication procedures adequate.
011		Compliance	Low	The Annual Report is published on the Council's web-site. Auditing takes place on an annual basis.	The Council appoints an Internal Auditor each year to scrutinise the accounts. Further reassurance is provided by External Auditors if requested by the public.

	Direct Costs. Overhead Expenses. Debts.				Existing procedure adequate. Review the Financial Regulations annually.
012		Incorrect invoicing.	Low	Prior to each meeting the invoices are checked by the RFO/Clerk. Each meeting agenda is circulated to Councillors prior to the meeting detailing approvals for payment and any Councillor can query an item with the Clerk.	
013		Cheques and electronic payments	Low	Authorised and signed by the Clerk and one councillor on council's bank mandate.	
014	Grants – Receivable	Receipt of Grants/commuted sums.	Low	One off grants or commuted sums come with terms and conditions .as agreed by council.	Existing procedure adequate.

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015	Best Value / Accountability	Work awarded incorrectly.	Low	The Council has financial regulations that set out the requirements for the awarding of contracts. All contract awards are made by full council.	Existing procedure adequate.
016		Overspend on services.	Low	The Council has financial regulations that set out the requirements for the awarding of contracts. All contract awards are made by full council.	Existing procedure adequate.
017	Salaries and Associated Costs	Salary	Low	The Council authorises the appointment of all employees. Salary rates are based on the National Joint Council (NJC) for Local Government Services Pay Scales. Payroll is administered by a third party as advised by Northamptonshire County Association of Local Councils (NCALC).	Existing appointment system adequate
018		Salary	Low	Payroll summary prepared by payroll provider, checked and paid by council	Existing procedure adequate.

019	Employees	Loss of key personnel.	Low	The Parish Council can appoint a temporary Clerk to provide resilience in the event of the loss of the Parish Clerk.	To be evaluated and progressed.
020		Fraud by staff.	Low	Financial risks are low as only minimal amounts of cash are held. Insurance for Fidelity is maintained.	Existing procedure adequate
021		Actions undertaken by staff.	Low	Parish Council staff are provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Existing procedure adequate.
022		Health and safety.	Low	All employees are provided with adequate direction and safety equipment needed to undertake the roles, i.e. protective clothing and training. .	Health and Safety policy and guidelines will be reviewed annually. Appropriate training will be given where necessary.

023	Election Costs	Risk to budget from an unforeseen election cost.	Low	The risk is higher in an election year. The Parish Clerk obtains an estimate of costs from the unitary Council for a full election and an uncontested election. And maintains a designated reserve to ensure funds will be available,	The Parish Council to ensures that sufficient budget allocation to cover by-election costs.
024	VAT.	Reclaiming / charging	Low	VAT is reclaimed at least on an annual basis from HMRC and repaid by BACS.	Existing procedure adequate

025	Annual Returns	Submit within time limits	Low	The Financial Annual Return is completed by the Internal Auditor and the Parish Clerk, approved by the Council and submitted to the External Auditor if required within the prescribed time limit. The May meeting of the Council is used for the approvals, or an Extraordinary meeting is called.	Existing procedure adequate
026	Legal Powers	Illegal activity or payments.	Low	All activity and payments within the powers of the Council are resolved and minuted at meetings. Guidance and advice is provided to the meeting by the RFO.	Existing procedure adequate
027	Agendas / Minutes / Notices / Statutory Documents	Accuracy and legality of Agendas/ Minutes /Notices/Statutory Documents.	Low	Agendas and minutes are produced in the prescribed method by the Parish Clerk and adhere to the legal requirements. Agendas are displayed and minutes are available in accordance with the legal requirements. Minutes are approved and signed at the following Council meeting.	Existing procedure adequate - guidance / training given to Chairman where required.
028		Business Conduct	Low	Business conducted at Council meetings is managed by the Chairman.	Members adhere to the Council Code of Conduct contained within the Standing Orders.

029	Members Interests	Conflict of Interest	Low	Members declare pecuniary interests at the meeting when the item “Declarations” is reached and when an item is discussed and it becomes apparent they have an interest.	Existing procedure adequate.
030		Register of Member Interests	Low	The Register of Members Interest is updated by Councillors when their circumstances change and is reviewed annually. All Registers are published on the Parish Council website. The process mirrors that driven by North Northamptonshire Council.	Councillors to take responsibility to update their entry in the Register.
031	Insurance	Adequacy	Low	An annual review is undertaken prior to the renewal date of all insurance arrangements in place. A three-year agreement for insurance is normally agreed to ensure best value for money.	Existing procedure adequate. Review insurance provision annually.
032		Cost	Low		
033		Compliance	Low		
034		Fidelity Guarantee	Low		
035	Data Protection	Policy Provision	Low	Registered with the Information Commissioner. The Data Protection Officer role is contracted out to NCALC.	
035	Freedom of Information Act	Policy Provision	Low	The Parish Council conforms with the Freedom of Information Act and will respond to individual requests in accordance with it. The Parish Council will adopt the model publication scheme and post this on the Parish Council web-site, available free of charge to all members of the public.	Existing procedure adequate.
036	Assets	Loss or damage Risk/damage to third party(parties)/property	Low	An annual review of assets is undertaken for insurance purposes.	Existing procedure adequate.
037	Maintenance	Poor performance of assets or amenities.	Low	All assets owned by the Parish Council are regularly reviewed and maintained.	Existing procedure adequate.
038		Loss of income or performance. Risk to third parties.	Low	All repairs and relevant expenditure are actioned/authorised in accordance with the correct procedures of the Council. All assets are insured and reviewed annually. All public amenity land is inspected regularly by Council employees.	Existing procedure adequate.

039	Street Furniture	Risk/damage/injury to third parties.	Low	The Parish Council owns notice boards, telephone boxes and benches. Everything is covered by the Parish Council's insurance policy. Regular visual inspections take place and repairs/replacement undertaken as necessary.	Existing procedure adequate.
040	Parish Council Records paper	Loss through fire, theft or damage		The Parish Council has adopted a records management policy which sets out retention and destruction periods for all Parish Council records. Key documents are published on the Council's website which is hosted (and backed-up) by a third party Vision ICT.	Existing procedure adequate

041	Parish Council Records electronic	Loss through fire, theft, damage, computer failure, hacking, virus infiltration.	Low	Key documents are published on the Council's website which is hosted (and backed-up) by a third party Vision ICT. A large amount of data including accounts and minutes are stored on the Clerk's laptop. A back up regime is in place: Anti-virus software is installed and the system updated as required.	Existing procedure adequate.
042	Highway Trees	Public Safety should a tree become unsafe	Low	Most trees are the responsibility of the Highways Authority of NNC. Ad hoc inspections are carried out for other trees.	To be evaluated and progressed

045	Roadways	Pavements, roads, fences, Overhanging trees	Medium	North Northamptonshire Council Highways department is responsible for maintaining pavements and roads. Dangerous overhanging trees from private property Responsibility of the land owner as with fences. Responsibility of the fences on the 'Tin Bridge' currently in dispute as to establish ownership.	Parish Council to report problems to Rutland County Council. Parish Council to establish ownership of the Tin Bridge fences.

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