

## Measham Parish Council Financial and Management Risk Assessment

Reviewed May 2022

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

Area	Risk(s) Identified	Level of Risk High/ Medium/ Low	Management/Control of Risk	Review/Assess
Agendas/ Minutes/ Notices	Accuracy and legality	Low	<p>Agendas and minutes are produced by the Clerk and adhere to the requirements set out in the Council's Standing Orders Agendas are displayed and minutes are available in accordance with the legal requirements set out in the Council's Standing Orders</p> <p>Minutes are approved and signed at the following Council Meeting</p>	To be reviewed annually in line with review of Council's Standing Orders.
Assets	<p>Loss of or damage to assets</p> <p>Risk or damage to third party property or individuals</p>	Medium	<p>The Council has Financial Regulations which set out the requirements.</p> <p>An accurate Register of Assets is maintained and reviewed annually by the Council. A Replacement Reserve will be established for any significant asset purchases</p> <p>The Register of Assets is included as part of the insurance review and renewal</p> <p>The adequacy of the Council's Public Liability insurance is reviewed annually</p>	To be reviewed by the Council annually, as part of the review of the Financial Regulations

Availability of Council Information	Publication of Information	Low	The Council aims to publish relevant information on the Parish Council website as soon as it is practical to do so	To be reviewed annually
Bank & Banking	Inadequate Checks  Bank errors	Low  Low	The Council has Financial Regulations which set out requirements for banking, cheques and reconciliation of accounts. These are adhered to by the Clerk and Councillors  Any errors made by the bank in processing payments or receipts would be discovered by the Clerk when reconciling the monthly bank statements with the payment schedule, cheque book and paying-in book  Any errors are reported to the bank immediately  The Council uses online banking and has a current account and savings account with HSBC and a prepaid debit card with Equals	To be reviewed by the Council annually, as part of the review of the Financial Regulations
Best Value Accountability	Work awarded incorrectly Overspend on Services	Low  Medium	The Council has Financial Regulations which set out the requirements for agreeing providers of goods and services  If a problem is encountered with a contract, the Clerk would check the situation and report to the Council	To be reviewed by the Council annually, as part of the review of the Financial Regulations
Borrowing	Adequacy of finances to be able to repay a loan – <b>currently none in place</b>	Low	The Council has Financial Regulations which set out the requirements for borrowing money  The Council would conduct a financial review and cashflow forecast as part of the process of obtaining a loan	To be reviewed by the Council annually, as part of the review of the Financial Regulations

			Loan repayments would be included as part of the annual budget process	
Business Continuity	Risk of Council not being able to continue its business due to an unexpected circumstance	Low	See the Business Continuity Plan in place	Business Continuity Plan to be reviewed annually
Cash	Loss through theft or dishonesty	Low	The Council has Financial Regulations which set out the Requirements  Any cash received (mainly as part of allotment rents) will be recorded and banked by the clerk as soon as practicably possible	To be reviewed by the Council annually, as part of the review of the Financial Regulations
Charges/Rental - Payable	Payment of charges, rentals and leases	Low	Invoices received are added to the list of payments to be approved by the Council	Process to be reviewed annually by Council
Charges/Rental - Receivable	Non-receipt of Rental Insurance implications	Medium	The Parish Council collect allotment rents once a year. An invoice is issued to all allotment holders and the rents collected  Cheques and cash are then banked by the Clerk as soon as practicably possible.  A summary of payment of allotment rent is presented to the Council	Process for managing the allotments and collecting rent to be reviewed annually by the Council
Councillors	Losing a Councillor	Medium	When a vacancy arises, the Parish Council follow the legal process. This will either lead to a co-option or a by-election, the latter being out of the control of the Parish	Process reviewed as Required

			The co-option process would begin with an advert, consideration of applicants following the Council's Co-Option policy, a co-option vote at a Council meeting and then appointment	
Data Protection	Policy Provision	Low	The Council is registered with the Information Commissioner	To be reviewed annually
Direct Costs & Overhead Expenses	Goods not supplied	Low	The Council's Financial Regulations set out requirements for making payments and are adhered to	To be reviewed by the Council annually, as part of the review of the Financial Regulations
	Incorrect invoicing	Low	Every Council meeting agenda contains a list of payments to be approved along with associated invoices and receipts  The Clerk has checked these against goods received/services supplied, prior to the Council meeting. After reviewing list of payments, the Council passes a resolution to make the payments. Two Cllrs check the list of payments against the invoices received and initials the invoice to show this has been checked and approved	
	Unpaid invoices	Medium	Unpaid invoices due to the Council are pursued and where possible payment obtained  Where the Clerk has concerns about the collection of any invoice they will bring this to the attention of the Council	
Election Costs	Risk of an election cost	Low	This risk is higher in an election year where the cost will be budgeted for after consultation with NWLDC on the costs of both a contested and uncontested election	Process reviewed as Required
Employees	Loss of key personnel Fraud by Staff	Medium	The chair has the master password for a password management system kept in a sealed signed envelope	Council to review with Clerk annually

	Actions undertaken by Staff	Low	<p>Financial risks are low as cash is only handled as part of allotment rent and only by one member of staff</p> <p>Three signatories are required for all payments as per the Council's Financial Regulations</p> <p>The Clerk should be provided with relevant training, reference books and access to assistance and legal advice required to undertake the role</p>	
Financial Records	Inadequate Records Financial Irregularities	Medium	<p>The Council has Financial Regulations which set out the requirements</p> <p>The Council follow the Financial Regulations and the Financial Records are checked as part of the internal audit process</p>	To be reviewed by the Council annually, as part of the review of the Financial Regulations
Freedom of Information	Policy Provision	Medium	The Council conforms to the Freedom of Information Act and responds to individual requests in accordance with it	To be reviewed annually
Grants & Support – Payable	Power to Pay Authorisation of the Council to pay	Low	<p>Power to pay and agreement of grant and conditions minuted</p> <p>Grant listed as a payment and authorised as such</p> <p>Check on each occasion to ensure that the section 137 expenditure limit under the Local Government Act 1972 is not exceeded for the financial year</p>	Process for the payment of Grants to be reviewed by the Council annually
Grants - Receivable	Receipt of Grant	Low	Clerk checks grants have been received and the amounts are correct and reports their receipt to the Council	Process for receiving one off grants to be reviewed as required

			One off grants will come with terms and conditions which would need to be satisfied	
Insurance	Adequacy, cost, compliance, fidelity guarantee	Medium	An annual review is undertaken, of all insurance arrangements in place  The Register of Assets is included as part of the insurance review and renewal  The adequacy of the Council's Public Liability insurance is reviewed annually	Insurance arrangements to be reviewed annually
Legal Powers	Illegal activity or payments	Low	All activity and payments within the powers of the Parish Council to be resolved and minuted at a Council meeting	To be reviewed as part of the internal audit process
Members Interests	Conflict of Interest	Medium	Members declare interests at the start of every Council meeting, these are recorded in the minutes	To be reviewed annually in line with review of Council's Standing Orders.
	Inaccurate Register of Members' Interests	Medium	Register of Members' Interest forms are reviewed annually by all Councillors at the Annual Council Meeting.	
Precept	Adequacy of Precept	Low	The Council reviews the actual spend to budget after the half year	To be reviewed by the Council as part of the annual budget setting process
	Precept request submitted to NWLDC and collected by them	Low	The Council discusses the level of Precept at budget setting time in the context of the level of its reserves. The Precept is based on these and the income and expenditure requirements for the following year  The Clerk demands the precept from NWLDC by the January deadline.	

Reporting & Auditing	Communication of Information  Compliance	Low  Low	<p>A budget summary report and bank reconciliation to be produced and presented to the Council</p> <p>Statements are reviewed and approved by the Council. Monthly bank reconciliations produced and signed off by one Cllr</p> <p>Internal and External Audits takes place annually</p> <p>An Internal auditor is appointed by the Council and supplied with all the relevant documents to inspect, complete and sign for the external auditor</p> <p>The Annual Return is completed and signed by the Council within the required time limits</p>	<p>To be reviewed by the Council annually, as part of the review of the Financial Regulations</p> <p>This will also be reviewed by the Council as part of the follow up from the internal and external audit process</p>
Reserves – earmarked and general	Adequacy	Medium	The Council ensures its' reserves are adequate and at a minimum represent two thirds of the current year's expenditure	To be reviewed annually in line with review of the Financial Regulations
Salaries and Associated Costs	Salary paid incorrectly  Wrong deductions – NI, income tax	Low  Low	<p>The parish council use Sage to process monthly payroll</p> <p>All staff are paid monthly</p> <p>The Clerk is contracted to work set hours which were approved with permission from the chair if they exceed 26 hours per week</p> <p>Tax and NI payments are calculated by Sage The Clerk joined is enrolled in a pension scheme with Standard Life.</p>	To be reviewed annually by the Council

			<p>The council also operates a Nest pension scheme for other employees</p> <p>Pension Contributions are calculated by the payroll provider</p>	
VAT	Non-reclaim of VAT	Low	The Council has Financial Regulations which set out the requirements. VAT return is completed quarterly	To be reviewed annually as part of the Annual Return process