

Oxted Parish Council Financial Risk Assessment & Management

Introduction

“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.

Subject	Risk(s) Identified	H/M/L	Management of Risk	Review/Revise/Assess	Action By
Precept	<ul style="list-style-type: none"> Adequacy of precept Not submitted Not paid by District Council 	L	<ul style="list-style-type: none"> The Parish Council regularly receives budget update information, and projects income & expenditure for the following year, the net total of which is resolved to be the precept amount. This figure is submitted by the Clerk in writing following agreement of the precept at full council. The Clerk informs Council when the monies are received. 	Existing procedures adequate.	
Charges – Burial Ground	<ul style="list-style-type: none"> Review of charges Grave allocation Memorial fees collected 	L M M	<ul style="list-style-type: none"> Charges reviewed annually Burial register updated regularly Memorials permits issued/ reconciled to take. 	A new filing system is currently being introduced which is making this much easier to manage – system adequate.	Review by Clerk
Grants – Receivable	<ul style="list-style-type: none"> Claims procedure Receipt of grant when due 	L M	<ul style="list-style-type: none"> Clerk checks grants available for projects considered, as and when required. Checked and reported to Parish Council 	Existing procedures adequate.	

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Investment Income	<ul style="list-style-type: none"> Receipt when due Investment Performance 	L L	<ul style="list-style-type: none"> Clerk – diary Reviewed annually by Finance Officer/Clerk 		
Bank and banking	<ul style="list-style-type: none"> Inadequate checks Bank mistakes Loss Charges 	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. Cheques require two signatures. The bank does make occasional errors in processing cheques which are discovered when the Clerk reconciles the bank accounts once a month, and corrected immediately by informing the bank. Cash flow is monitored by the Clerk monthly, when completing the reconciliations 	Financial Regulations are due for review. Review when necessary the bank signatory list, especially after an election. Monitor the bank statements monthly.	Clerk/Finance Officer to update regulations and put before Parish Council
Salaries and assoc. costs	<ul style="list-style-type: none"> Wrong salary paid Wrong hours paid Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue 	L	<ul style="list-style-type: none"> The Parish Council authorises the appointment of all employees. Salary rates are assessed annually and applied from 1st April each year. Staff overtime is authorized by the Finance Officer. Salary slips are produced by the Clerk together with a schedule of payments to the Inland Revenue (for Tax and NI). The Tax and NI is worked out using a computer programme called SAGE. All Tax and NI payments are submitted to the Inland Revenue monthly when payroll is run. The Clerk has a contract of employment and job description. 	Existing appointment and payment system is adequate.	
Annual Return	<ul style="list-style-type: none"> Submit within time limits 	L	<ul style="list-style-type: none"> The Finance Officer completes the Employer's Annual Return online and submits to the Inland Revenue within the prescribed time frame. 	Existing procedure adequate.	

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Grants – Payable	<ul style="list-style-type: none"> Power to Pay Authorization of Council to pay 	L	<ul style="list-style-type: none"> All such expenditure to go through the required Council process of approval and minuted and listed accordingly if a payment is made using the S137 power of expenditure. 	Existing procedure adequate.	
Direct Costs/ Overhead Expenses	<ul style="list-style-type: none"> Goods not supplied Invoice incorrectly calculated Cheque payable is excessive Cheque payable to wrong party 	L M M	<ul style="list-style-type: none"> Clerk operates an order system and approves all invoices for payment. Clerk checks arithmetic and authorizes payment Members check invoice to prepared cheque prior to signing and verify details – signatory initials on stub 	Existing procedure adequate.	
Cllrs Expenses	<ul style="list-style-type: none"> Cllr overpaid 	L	<ul style="list-style-type: none"> Claim approved by Council in advance Claim form checked and verified by Clerk 	Existing procedure adequate.	
Election Costs	<ul style="list-style-type: none"> Risk of cost from an election Invoice at agreed rate 	L	<ul style="list-style-type: none"> When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. Clerk check and verify, and consider budget 	Existing procedure adequate.	
VAT	<ul style="list-style-type: none"> VAT analysis Claimed within time limits 	L L	<ul style="list-style-type: none"> All items are listed in the cash book and verified by the Clerk Returns are verified and submitted annually by the Clerk 	Existing procedure adequate.	

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Best value Accountability	<ul style="list-style-type: none"> Work awarded incorrectly Overspend on services 	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. Normal Parish Council practice is to seek three quotations for any substantial work required to be undertaken or goods. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation, research the problem and report to Council. 	Existing procedure adequate.	
Reporting and auditing	<ul style="list-style-type: none"> Information Communication Compliance 	L	<ul style="list-style-type: none"> A monitoring statement is produced regularly at each Council meeting which is distributed, discussed and approved. Council should regularly audit internally to comply for the Fidelity Guarantee. 	Existing communication procedures adequate. Internal audit yearly and reported to Council	No current actions required
Reserves: General & Earmarked	<ul style="list-style-type: none"> Adequacy 	L	<ul style="list-style-type: none"> Considered at budget setting and with year end accounts General reserves maintained at a level of 30% of precept – deemed adequate by NALC 	Existing procedure adequate	
Assets	<ul style="list-style-type: none"> Loss, damage etc Risk or damage to third party property or individuals 	M M	<ul style="list-style-type: none"> Annual inspections, update insurance and asset registers Annual review of Public Liability Insurance 	Depreciation policy implemented, as agreed by Parish Council Existing procedures adequate	
Insurance	<ul style="list-style-type: none"> Adequacy Cost Compliance 	L	<ul style="list-style-type: none"> An annual review is undertaken (before policy renewal) of all insurance arrangements. Employers and Public liability insurance is a necessity. Ensure compliance measures are in place. 	Existing procedure adequate. Review compliance.	Annual review.
Maintenance	<ul style="list-style-type: none"> Poor performance of assets or amenities 	M	<ul style="list-style-type: none"> A minimum of annual maintenance inspections are made of the Burial Ground, war memorials, notice boards, bus shelters and the Pound. 	Existing procedures are adequate and resulting identified work undertaken	Clerk

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Employees	<ul style="list-style-type: none"> Loss of key personnel Fraud by staff 	L	<ul style="list-style-type: none"> As good practice, the Council should ensure Employee Guidelines are followed/reviewed. The Clerk should have opportunity for training, reference books, access to assistance and legal advice required to undertake the role. Fidelity Guarantee insurance guides to be adhered to with regards to Fraud. 	Existing procedure adequate. Purchase revised books, membership of the SLCC/ training. Monitor working conditions, safety requirements and fidelity insurance regularly.	Clerk
Borrowing/ Lending	<ul style="list-style-type: none"> Adequacy of finances to be able to repay loans 	L	<ul style="list-style-type: none"> Financial review and cashflow forecasting monthly 	N/A – no current borrowing	
Legal Powers	<ul style="list-style-type: none"> Illegal activity or payments 	L	<ul style="list-style-type: none"> 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. 	Power minuted.	
Financial Records	<ul style="list-style-type: none"> Inadequate records Financial irregularities 	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out all financial requirements. The Clerk updates records weekly/monthly (as appropriate) Annual internal audit 	Review Financial Regulations annually	Clerk/Finance Officer to update regulations and put before the Council
Minutes/ Agendas/ Notices Statutory Documents	<ul style="list-style-type: none"> Accuracy and legality Business conduct 	L	<ul style="list-style-type: none"> Minutes and agenda are produced by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next 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.	

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Members Interests	<ul style="list-style-type: none"> Conflict of interest Register of Members interests not being up-to-date 	L	<ul style="list-style-type: none"> The declaring of interests by members at a meeting should become a regular and obvious process. Register of Members Interest forms should be reviewed regularly. 	Members take responsibility to check and update their Register and undertake training	Clerk to review
Freedom of Information Act	<ul style="list-style-type: none"> Policy Provision 	L	<ul style="list-style-type: none"> The Council has a model publication scheme in place. There have been no requests for information to date. 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. 	Monitor and report any requests made under the Freedom of Information Act - ongoing.	
Council records - paper	<ul style="list-style-type: none"> Loss through theft/fire/damage 	M	<ul style="list-style-type: none"> The Parish Council records are stored at the Clerk's home. Records include historical correspondence, minute books and copies, deeds and leases, records such as personnel, insurance, salaries etc, burial records. Recent materials are stored in both a wooden and metal filing cabinet (not fire proof) and more historical records are kept in a garage. 	Most recent materials are also kept electronically – see below. Investigate fire proof storage for burial records .	Clerk
Council records - electronic	<ul style="list-style-type: none"> Loss through theft/fire/damage/computer corruption 	L	<ul style="list-style-type: none"> The Parish Council's electronic records are stored on the Clerk's computer. Back-ups of the files are taken at regular intervals. . 	Back-ups to be kept off site?? Review existing procedure.	Clerk

REVIEWED: June 2009