Cadeby Parish Council

Financial and Management Risk Assessment.

This document has been produced to enable Cadeby 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	High/Medium/Low	Management/Control of Risk	Review/Assess/Revise
1.	Precept.	Adequacy of precept requirements.	Low.	The budget is monitored on a Monthly basis with figures supplied by the Responsible Financial Officer (RFO).	Parish Council to keep system under review.
		Requirements not submitted to HBBC.	Low.	The Parish Clerk submits the precept figure to Hinckley & Bosworth Borough Council in writing	By resolution of the full Parish Council.
		Accuracy of precept submitted to HBBC.	Low	The precept will be for a fixed sum of money and will only be finally determined by the full Parish Council when all relevant facts are known to the Council such as the underlying tax base.	
2.	Financial Records.	Inadequate records.	Low.	The Council has Financial Regulations that set out the requirements.	Existing procedure is adequate.
		Financial irregularities.	Low.		Review Financial Regulations annually.
3.	Bank and Banking.	Inadequate Checks.	Low.	The Council has Financial Regulations that set out the requirements for banking, payments and the reconciliation of accounts. Councillors have access to bank statements at any time via online banking.	Existing procedures are adequate.
		Bank Errors.	Low.	If the Bank does make an error when processing payments 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 elections.

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3.	Bank and banking continued	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 Bank uses multi-factor security.	Monitor Bank Statements monthly.
4.	Cash.	Loss through theft or dishonesty.	Low.	No income is received by hand. Insurance cover is provided for infidelity. No cash transactions.	Existing procedures are adequate. Review the Financial Regulations annually.
5.	Reporting and Auditing.	Information and communication. Compliance.	Low. Low.	A budget monitoring statement is produced for presentation to the full Council on a quarterly basis. The accounts are open to public examination each year as required by the Accounting and Audit Regulations. The Governance Statement is reviewed by council annually as part of the audit process, and the Annual Report is published on the Council website. Auditing takes place on an annual basis.	Existing communication procedures adequate. The Council appoints an Internal Auditor each year to scrutinise the accounts.
6.	Direct Costs. Overhead Expenses. Debts.	Goods not supplied but billed. Incorrect invoicing Incorrect payments. Unpaid Invoices.	Low. Low. Low. Low.	The Council has Financial Regulations that set out the requirements All Councillors can review and query all invoices with the Clerk. Invoices are approved at a Full Council meeting prior to payment. The RFO prepares payments which are approved at a Council meeting. Two Councillors authorise online bank payments and any cheques. The Council does not issue any invoices.	Existing procedure adequate. Review the Financial Regulations annually.
7.	Grants and support – Payable.	Power to pay. Authorisation of Council to pay.	Low.	All such expenditure goes through the required process of application and approval at Full Council.	Existing procedure adequate.
8.	Grants – Receivable.	Receipt of Grants/commuted sums.	Low.	One off grants or commuted sums come with terms and conditions to be satisfied.	Existing procedure adequate.

9.	Best Value / Accountability.	Overspend on services.	Low.	All contract awards subject to tender and approval by Full Council	Existing procedure adequate.
10.	Salaries and associated costs.	Salary paid incorrectly Wrong hours paid. Wrong rate paid. False employee. Wrong deductions of NI or Tax. Unpaid Tax & NI contributions to the Inland Revenue.	Low. Low. Low. Low. Low. 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. Time sheets produced by the Clerk for checking, Salary analysis and pay slips are produced by Screatons Ltd and checked by RFO. Salary is paid monthly, and National Insurance paid quarterly to HMRC (for Tax and NI). All under/over payments rectified within a month.	Existing appointment system is adequate. Salaries are paid by BACS to the employee. Tax & National Insurance are paid to HMRC by BACS
11.	Employees	Fraud by Staff. Actions undertaken by staff. Health and Safety.	Low Low. Low.	Financial risks are low as no petty cash is held. All payments require 2 signatures. Parish Clerk/RFO is provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Existing procedure adequate Membership of LRALC Appropriate training will be given where necessary.
12.	Councillor allowances.	Councillors overpaid	Low.	Expense claims are accompanied by purchase receipts for expenses incurred by councillor duties and checked by RFO. Mileage is paid at HMRC published rate.	No additional procedure required.
13.	Election Costs.	Risk to budget from an unforeseen election cost.	Low/Medium.	The risk is higher in an election year. The Parish Clerk obtains an estimate of costs from the Borough Council for a full election and an uncontested election. There are no measures that can be adopted to minimise the risk of having a contested election as this is a democratic process.	Full Council to ensure that sufficient budget allocation to cover by-election costs.

14.	VAT.	Reclaiming.	Low.	VAT is reclaimed annually or when the VAT amount is over £100 from HMRC and repaid by BACS.	Existing procedure adequate.
15.	Annual Returns.	Submit within time limits.	Low.	The Financial Annual Return is completed by the Internal Auditor and the Parish Clerk/RFO, approved by the Council and submitted to the External Auditor within the prescribed time limit.	Existing procedures adequate.
16.	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.
17.	Agendas, Minutes, Notices & Statutory Documents.	Accuracy and legality of Agendas Minutes Notices/Statutory Documents. Business Conduct	Low. 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. Business conducted at Council meetings is managed by the Chairman.	Existing procedure adequate. Guidance/training to Chairman is given if necessary. Clerk to pursue CilCA qualification Members to adhere to the adopted Code of Conduct.
18.	Members Interests.	Conflict of Interest. Register of Members Interests.	Low. Low.	Members declare all interests at the meeting when the item “Declarations” is reached and when an item is discussed and it becomes apparent they have an interest. 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.	Existing procedure and Code of Conduct adequate. Councillors to take responsibility to update their entry in the Register.
19.	Insurance.	Adequacy. Cost. Compliance. Fidelity Guarantee.	Low. Low. Low. Low.	An annual review is undertaken prior to the renewal date of all insurance arrangements in place.	Existing procedure adequate.

20.	Data Protection and Data Breach	Policy Provision.	Low.	The Parish Council is registered with the Information Commissioner. Clerk is the Data Controller.	Existing procedure adequate. Ensure annual renewal of registration.
21.	Freedom of Information Act.	Policy Provision.	Low.	The Parish Council conforms with the Freedom of Information Act and responds to individual requests in accordance with it.	Existing procedure adequate.
22.	Assets.	Loss or damage Risk/damage to third party(parties)/property	Low.	An annual review of assets is undertaken for insurance purposes.	Existing procedures are adequate.
23.	Maintenance.	Poor performance of assets or amenities. Risk to third parties.	Low.	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure are actioned/authorised in accordance with the correct procedures of the Council. All assets are insured and reviewed annually.	Existing procedures are adequate.
24.	Street Furniture.	Risk/damage/injury to third parties.	Low.	The Parish Council owns bus shelters, a winter grit bin and tables and chairs. All are covered by the Parish Council's insurance policy. Faults are reported to the Parish Clerk and repairs/replacement undertaken as necessary.	Existing procedures are adequate.
25.	Parish Council records – paper.	Loss through fire, theft, damage.	Low.	The Parish Council has adopted a records management policy which sets out retention and destruction periods for all Parish Council records. Paper records are stored in Cadeby village hall attic office which has fire and intruder alarms. All recent records are stored with the Parish Clerk. Records include historical correspondence, minutes, personnel records, salary details etc	Existing procedures are adequate.
26.	Parish Council records – electronic.	Loss through fire, theft, damage, computer failure, hacking, virus infiltration.	Low.	A large amount of data including accounts records are stored on the office computer system. A back up regime is in place. data is off site in a cloud. Anti-virus software is installed, and the system has firewall protection.	Existing procedures are adequate.

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