



Braunton Parish Council Financial Risk Assessment Year End 2020/21

Notes:

“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.

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Councillors	Losing Councillor membership or having 9 or more vacancies at any one time	L	When a vacancy arises there is a legal process to follow. This either leads to a by-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 application, consideration of applicants and co-option vote at a Council meeting then appointment. It there are 9 or more vacancies at any one time on the Council it becomes inquorate.	Existing procedures adequate.
Precept	Adequacy of precept Requirement not submitted to NDC in time Amount not retrieved by NDC	L	To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full Council. At the precept meeting Council receives a budget update report, including actual position and projected position to the year-end including 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	Existing procedures adequate. Precept and Budget was agreed at the full Council meeting on 14 December 2020 Min Ref: 186/2020/21.

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			<p>requested from North Devon Council. This figure is submitted by the Clerk in writing to NDC.</p> <p>The Precept should be considered by Council before the deadline – deadline should be ascertained from NDC asap.</p> <p>The Clerk informs Council when the monies are received (usually April and September).</p>	<p>Submitted to NDC on 16 December 2020.</p> <p>Existing procedure adequate.</p>
Financial Records	Inadequate records Financial irregularities	L	<p>Financial Regulations in place to cover all procedures for financial transactions and proper record keeping – reviewed annually.</p> <p>Monthly accounts statement, including bank reconciliation presented at each Finance and Administration Committee meeting – reported and minuted.</p> <p>Internal and external audit.</p> <p>All payments require two authorisations, passwords and ids kept securely, no payments authorised without supporting paperwork.</p> <p>RFO has access to online statements and cheque balance and cash flow on a regular basis. Transfers of funds between accounts conducted in accordance with financial regulations. Cash and cheques banked at least fortnightly if not more frequently.</p>	<p>Existing procedure adequate.</p> <p>Annual review of Financial Regulations by the Finance and Administration Committee.</p>
Bank and Banking	Failure to Bank. Inadequate checks Bank mistakes Bank charges Loss of signatories	L	<p>Arrangements with Lloyds.</p> <p>The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.</p> <p>The bank does make occasional errors in processing cheques which are discovered when the Clerk reconciles the bank accounts once a month when the statement arrives, these are dealt with immediately by informing the bank and awaiting their correction. Monitor the bank statements monthly.</p> <p>Council to change banking mandate but the bank can take time to implement the changes, this mostly happens after the general election.</p>	<p>Existing procedure adequate.</p>
Cash / Loss	Loss through theft of dishonesty	L	<p>The Council has Financial Regulations which set out the requirements.</p> <p>Cash / cheques received are banked regularly.</p> <p>Fidelity Guarantee Insurance held to cover staff and members. Secure storage of cash. Insurance cover of £500,000.</p>	<p>Annual check that adequate insurance is in place.</p> <p>Through vetting process of job applicants and annual staff review.</p>

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Litigation	Potential risk of legal action being taken against the Council	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 requirement but there is still risk of other claims.
Reporting and auditing	Information Communication Compliance	M	A monitoring statement is produced regularly and presented to Council, discussed and approved at meeting. Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing procedure adequate. This was not possible due to Covid-19 restrictions.
Direct costs Overhead expenses Debts	Goods not supplied but billed Incorrect invoicing Cheques payable incorrect Loss of stock Unpaid invoices	L	The Council has Financial Regulations which set out the requirements. At each Council meeting the list of invoices awaiting approval is distributed to councillors, and considered. The Chairman of the Finance and Administration Committee is nominated to check each invoice against the schedule of Supplier Payments presented at Council meetings. The Council has minimal stock these are checked and monitored by the Clerk. Unpaid invoices for services are pursued and where possible, payment is obtained in advance.	Existing procedure adequate.
Grants	Power to pay Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval, minuted, and listed accordingly.	Existing procedure adequate.
Grants – receivable	Receipts of Grant	L	Grants would come with terms and conditions which would need to be met by Council.	Would be claimed on the terms and conditions set by grant provider.
Rentals receivable	Payments of charges, leases, rentals	L	The Council leases out property – all property that is leased has a legal contract drawn up which sets out the terms and conditions regarding period, rent review, etc.	Existing procedure adequate.
Salaries and associations	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or TAX	L	The Parish Council authorises the appointment of all employees through the Finance and Administration Committee. Salary rates are assessed annually by the Finance and Administration Committee. The Council is a member of the Living Wage Foundation.	Existing appointment system adequate. Existing payment method is adequate.

	Unpaid TAX or NI Contributions to the Inland Revenue and Pensions.		Salary analysis and slips are produced by the Clerk weekly / monthly together with a schedule of payments to the Inland Revenue (for TAX and NI) and Devon County Council Pension Scheme (Peninsula Pensions). These are inspected at the Council meeting and signed off. The TAX and NI is worked out using SAGE 50 Payroll. Staff submit a weekly time sheet containing hours, tasks. These are checked by the Clerk and filed. Each member of staff has a contract of employment and job description. All contracts contain a section on overpayment and recoup. Salaries are paid in arrears.	
Employees	Fraud by staff Actions undertaken by staff Health and Safety	L	The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud. The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Staff provided with adequate safety equipment needed to undertake the roles, ie. PPE and training.	Purchase revised books. Membership of the South West Councils, SLCC and NALC. Monitor working conditions, safety requirements and insurance regularly.
Election costs	Risk of an election cost	H	Risk is higher in an election year, but there is also a high risk that a by-election could be called to fill a causal vacancy. When a scheduled election is due the Clerk will obtain an estimate of costs from North Devon Council for a full election and uncontested election. There are no measures that can be adopted to minimise the risk of having elections, as this is a democratic process. The Council allocated a sum of money each year in its budget and carries this forward in case of an election at a four year interval or to cover the cost of a by-election.	Existing procedure is adequate.
VAT	Reclaiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT is claimed quarterly and calculated using Sage 50 Accounts and submitted in accordance with the Making Tax Digital (MTD) via the online HMRC gateway.	Existing procedure is adequate.
Employers Annual Return	Paying and accounting for NI and TAX of employees' salaries and pension contributions.	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the Clerk. Monthly EAS5 Forms submitted monthly and Annual Return submitted at year end.	Existing procedure adequate.

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Audit – Internal Audit	Completion within time limits	L	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the forms to complete and sign for the External Auditor. Procedures are all covered in the ‘Review of Effective System and Internal Audit’ which is reviewed annually.	Existing procedure adequate.
Annual Return	Not submitted on time Incorrectly completed	M	RFO aware of date. 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.
Minutes/Agenda/ Notices Statutory documents	Accuracy and legality Business conduct.	L	Minutes and agendas are produced in the prescribed method by the Clerk and adhere to the legal requirements. Minutes are approved at the following the meeting. They are usually signed when approved but due to Covid-19 restrictions and meetings being held virtually they are currently at time convenient and safe for the Chair and Clerk. Minutes and agendas are displayed according to the legal requirements. Business conducted at Council meetings should be conducted by the Chair.	Existing procedure adequate. Guidance/training should be provided to Chair (if required).
Members interest	Conflict of interest Register of Members interest	M	Members to declare any interests at the beginning of meeting and to re-declare prior to the item being discussed. A record of interest declared to be kept by the Council. Register of Members Interest should be completed within 28 days of becoming a Member of Council and should be regularly reviewed and updated by Councillors.	Existing procedure adequate. Members take responsibility to update their register.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L	Prior to the policy renewal an annual review is undertaken of all insurance arrangements in place. Employers and Employees liability insurance is a necessity and must be paid for. Ensure compliance measures are in place. Ensure Fidelity checks are in place.	Existing procedure adequate. Review insurance provision annually. Review of compliance.
Data protection	Policy provision	L	The Council has a Data Protection Policy in place which has been updated in accordance with the General Data Protection Regulations (GDPR) 2018, reviewed annually. The Council has a Retention and Disposal Policy, reviewed annually.	Ensure regular review of Policy and compliance with legislation.
Freedom of Information Act	Policy provision	M	The Clerk is aware that if a substantial request arrives then this may require many hours of additional work significantly increasing the Clerk’s workload.	Monitor and report any impacts of requests made under the

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				Freedom of Information Act.
Assets	Loss or Damage Risk/damage to third party(ies)/property	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 Loss of income or performance. Risk to third parties	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. All public amenity land is inspected regularly by parish employees and councillors.	Existing procedure adequate. Ensure inspections are carried out.
Notice boards	Risk/damage/injury to third parties. Roadside safety	L	The Parish Council has 11 notice boards sited around the village/parish. All locations have approval by relevant parties, insurance cover, inspected regularly by the Council staff – any repairs/maintenance are brought to the Councils attention.	Existing procedure adequate.
Street furniture	Risk/damage/injury to third parties	L	The Parish Council is responsible for benches, litter bins, dog waste bins and bike racks in the village. These are regularly inspected and repairs dealt with by the Council.	Existing procedure adequate.
Meeting location	Adequacy Health and Safety	L	The Parish Council meetings are usually held in the Council Chamber at the Parish Hall but due Covid-19 restrictions meetings are currently being held virtually via Zoom. The virtual platform is considered to be adequate for the Clerk, councillors and public who may attend.	Existing locations adequate
Council records - paper	Loss through: - Theft Fire Damage	M	The Parish Council records are stored at the Parish Office. Records include historic correspondence, minute books, leases for land or property, records such as personnel, insurance, salaries etc.	Damage and theft is unlikely and so provision adequate.
Council records – electronic	Loss through: - Theft, fire, damage or corruption of computer	L	The Parish Council's electronic records are stored on the Councils shared network. Back up of all files are downloaded overnight and stored off site with the Council IT provider.	IT provided keeps back up of all electronic files off-site.

REVIEWED AT THE MEETING OF: **FULL COUNCIL HELD ON MONDAY 8TH FEBRUARY 2021**

SIGNED BY THE CHAIRMAN:

DATED: