

# Orford & Gedgrave Parish Council Financial Risk Assessment

## 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 the 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.

| <b><u>FINANCIAL AND MANAGEMENT</u></b> |  |              |   |  |
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| <b>Subject</b>                         | <b>Risk(s) Identified</b>  | <b>H/M/L</b> | <b>Management/Control of Risk</b>   | <b>Review/Assess/Revise</b>              |
| Councillors                            | Loosing Councillor membership or having more than 9 vacancies at any one time. | L            | When a vacancy arises, there is a legal process to follow. This either leads to a bye 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 applications, consideration of applicants and co-option vote at a Council meeting, then appointment. | Existing procedures adequate.            |
|  |  | L            | If there are more than 9 vacancies at any one time on the Council, it becomes inquorate. The legal process of the County Council appointing takes place.  | Procedures of another body are adequate. |

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| Business Continuity             | Risk of Council not being able to continue its business due to an unexpected or tragic circumstance.    | L                         | There is a business continuity plan in place, linked to the NOTT as the office is rented from them.  | Review plan when necessary.   |
| Precept                         | Adequacy of precept.<br>Requirements not submitted to SCDC in time.<br>Amount not received by O & G PC. | L<br>L<br>L               | To determine the Precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at the full Council meeting. At the Precept meeting Council receives a budget update report, including the actual position and projected position to end the year and indicative figures or costing obtained by the Treasurer/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 requested from East Suffolk Council. This figure is submitted by the Clerk in writing to ESC.<br><br>Precept should be considered by council before the deadline – deadline should be ascertained from the ESC asap.<br><br>The Clerk informs the Council when the monies are received (approx. April/May and Sept time) | Existing procedure adequate.  |
| Financial records               | Inadequate records<br>Financial irregularities  | L<br>L                    | The Council has Financial Regulations which set out the requirements.  | Existing procedure adequate.<br>Review of Financial Regulations 2019. |
| Bank and banking                | Inadequate checks<br><br>Bank mistakes<br>Loss<br>Charges<br>Loss of signatories                        | L<br><br>L<br>L<br>L<br>L | The council has Financial Regulations which set out the requirements for banking, cheques, BACS and reconciliation of accounts.<br><br>The bank does make occasional errors in processing cheques which are discovered when the Treasurer 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.<br><br>Council would choose replacements, but the bank takes time to implement changes, this mostly happens after an AGM/election.  | Existing procedure adequate.  |

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| Cash/Loss                                     | Loss through theft or dishonesty  | L                | The Council has Financial Regulations which set out the requirements.<br>Cash/cheques received are banked within 3 banking days.<br>There is no petty cash or float. This is audited by the internal auditor annually.  | Existing procedure adequate.   |
| 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 requirements but there is still risk of other claims.    |
| Reporting and auditing.                       | Information communication<br><br>Compliance   | L<br><br>M       | A monitoring statement is produced regularly and presented to Council, discussed and approved at a meeting. This statement includes a breakdown of receipts and payments balanced against the bank.<br>Council should regularly audit internally to comply with Fidelity Guarantee.   | Existing procedure adequate.   |
| Direct costs.<br>Overhead expenses.<br>Debts. | Goods not supplied but billed.<br>Incorrect invoicing.<br>Cheque payable incorrect.<br>Loss of stock.<br>Unpaid invoices. | L<br>L<br>L<br>L | The Council has Financial Regulations which set out the requirements.<br>At each Council meeting the list of invoices awaiting approval is distributed to Councillors and considered. The Chairman signs the invoices, the cheques/BACS are then raised, two signatories are required before the cheques may be sent. Payment may also be made by BACS with authorisation by 2 signatories. | Existing procedure adequate.   |
| Grants and support - payable                  | Power to pay<br>Authorisation of Council to pay   | L                | All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure.  | Existing procedure adequate.<br>Parish Councillors request S137 rules if required. |
| Grants - receivable                           | Receipts of Grant   | L                | The Parish Council does not presently receive any regular grants. One off grant would come with terms and conditions to be satisfied.   | Procedure would need to be formed, if required.                                    |
| Charges – rentals payable                     | Receipt of rental   | L                | Castle (Fish 'n' chips, Ice cream) – The Clerk issues an agreement for usage, and the invoice. Both parties sign the agreement and the Parish council copy is held in Parish Council records. The cheque or cash is received and banked   | Existing procedure adequate.   |
| Best value accountability                     | Work awarded incorrectly<br>Overspend on services   | L<br>M           | Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to  |  |

|                                 |   |                       | be undertaken or goods.   |   |
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|                                 |   |                       | For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council. This is covered in the Financial Regulations.   |   |
| Salaries and associated costs.  | Salary paid incorrectly<br>Wrong hours paid<br>Wrong rate paid<br>False employee<br>Wrong deductions of NI or Tax<br>Unpaid Tax or NI contributions to the Inland Revenue | L<br>L<br>L<br>L<br>L | The Parish Council authorises the appointment of all employees through a committee.<br>Salary rates are assessed annually by a Committee and applied on 1 <sup>st</sup> April each year.<br>The Treasurer calculates the pay and makes the correct deductions for the NI and Tax. The cheques and balances are produced monthly and approved at each Council meeting.<br>The Street Cleaner and the Clerk record their working hours each week. Both have a contract of employment and job description. | Existing appointment system adequate.<br>Existing payment system is adequate.<br>A Personnel committee needs to be formed to carry out the annual reviews.  |
| Employees                       | Loss of key personnel<br>Fraud by staff<br>Actions undertaken by staff<br>Health & Safety   | L<br>L<br>L           | Reference to the Continuity Plan should be made in case of loss of key personnel.<br>The requirements of the Fidelity Guarantee insurance to be adhered to with the regards to Fraud.<br>The Clerk and Treasurer should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.<br>The Street Cleaner and the Groundsman should be provided with adequate direction and safety equipment needed to undertake the roles.              | Existing procedure adequate.<br>Purchase revised books.<br>Membership of the SLCC.<br>Monitor work conditions, safety requirements and insurance regularly. |
| Councillor allowances           | Councillors are overpaid<br>Income tax deduction  | Negative              | No allowances are allocated to Parish Councillors.  | No procedure required.  |
| Election costs                  | Risk of an election cost  | H                     | Risk is higher in an election year, but on recent history there is now a high risk that a bye-election is called for any casual vacancies. When a scheduled election is due the Clerk will obtain an estimate of costs from the ESC for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a  | Existing procedure is inadequate in the case of bye-elections.<br>Council should consider precepting a larger amount each year and saving each year         |

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|   |  |              | democratic process. The Council places an amount in the budget in the election year to cover the costs, this is based on information from ESC.   | to cover all costs.  |
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| VAT   | Re-claiming/charging   | L            | The Council has Financial Regulations which set out the requirements. VAT is claimed regularly.  | Existing procedure adequate.   |
| Employers Annual Return                               | Paying and accounting for NI and Tax of employees' salaries. | L            | Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the RFO.  | Existing procedure adequate.   |
| Audit – Internal Audit                                | Completion within time limits.                               | L            | Internal auditor is appointed by the council. The Internal Auditor is supplied with the relevant documents to audit and the form to complete and sign for the External Auditor. Procedures are all covered in the 'Review of Effectiveness of the system of Internal Audit' which is reviewed annually.  | Existing procedure adequate.   |
| Annual Return   | Completion/Submission within time limits.                    | L            | 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 the time limit.  | Existing procedure adequate.   |
| Legal Powers  | Illegal activity or payments.                                | L            | 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 powers used. As per the Financial Regulations prescribe.  | Existing procedure adequate.   |
| Minutes/Agendas/<br>Notices<br>Statutory<br>Documents | Accuracy and legality<br>Business conduct                    | L<br>L       | Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines.<br>Minutes are approved and signed at the following Council meeting.<br>Minutes and agenda are displayed according to the legal requirements.<br>Business conducted at Council meetings should be managed by the Chair. | Existing procedure adequate.<br>Guidance/training to the Chair should be given (if required).<br>Members to adhere to Code of Conduct. |
| Members interests                                     | Conflict of interest<br>Register of members interests        | L<br>M       | Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda.   | Existing procedure adequate.<br>Members take responsibility to update their register.  |

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|  |  |                  | Register of Members Interest forms should be reviewed regularly by Councillors.   |   |
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| Insurance                              | Adequacy<br>Cost<br>Compliance<br>Fidelity Guarantee | L<br>L<br>L<br>M | An annual review is undertaken (before the time of the Policy renewal) of all insurance arrangements in place. Employers and Employee 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.<br>Review insurance provision annually.<br>Review of compliance. |
| Freedom of Information Act             | Policy<br>Provision                                  | L<br>M           | The Council has a model publication scheme for Local Councils in place. 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 10 hours, but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee. | Monitor and report any impacts or requests made under the F of I Act.                         |

| <b>PHYSICAL EQUIPMENT OR AREAS</b> |   |              |  |   |
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| Assets                             | Loss or damage<br>Risk/damage to third party(ies)/property  | L<br>L       | An annual review of assets is undertaken for insurance provision and maintenance provisions.   | Asset register to be updated in accordance with SALC suggestions.         |
| Maintenance                        | Poor performance of assets or amenities<br>Loss of income or performance<br>Risk to third parties | L<br>L<br>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.<br>All public amenity land is inspected regularly by Parish employees. | Existing procedure adequate.<br>Ensure inspections carried out.           |
| Street furniture                   | Risk/damage/injury to third parties.  | L            | The Council is responsible for benches, posts on the knoll etc which are covered by insurance. No formalised programme of inspections is carried out, all reports of damage or faults are reported to the Council and/or dealt with.   | Existing procedure adequate.  |
| Meeting location                   | Adequacy<br>Health and safety   | L<br>M       | The Parish Council Meetings are held at the Town Hall. The premises and the facilities are adequate for the Clerk, Councillors and Public who attend from Health & Safety comfort aspects.   | Existing location adequate.   |
| Council records - paper            | Loss through:<br>Theft<br>Fire<br>damage  | L<br>M<br>L  | The Parish Council records are stored in the Town Hall Office. Records include historical correspondence and minute books are held in the Records office in Ipswich. Recent materials are in a metal filing cabinet and slightly older records in the cupboard in the New Room.  | Damage (apart from fire) and theft is unlikely and so provision adequate. |
| Council records - electronic       | Loss through:<br>Theft, fire, damage,<br>corruption of computer                                   | L<br>L       | The Parish Council's electronic records are stored on the Clerks computer. Back-ups of the files are taken weekly and stored on one-drive.   | One-drive back-up of electronic files.                                    |

**Reviewed at the meeting of:**..... **Signed by the Chairman:**.....

**To be reviewed in January 2024.**