|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TATWORTH & FORTON PARISH COUNCIL: RISK ASSESSMENT - Approved by Finance Committee 22nd June 23 MIN NO: 17/23** | | | | | | |
|  |  |  |  | **Approved by Full Council 7th December 165/23** |  |  |
|  | **Key** | **a = Severity of Hazard if it were to occur** |  |  |  |  |
|  |  | **b = Likelihood of occurrence / probability after control** | |  |  |  |
|  |  |  |  |  |  |  |
| **No.** | **Subject** | **Risks Identified** | **a.**  **L/M/H/** | **Management & Control of Risk** | **b.**  **L/M/H** | **Review / Re-assessment** |
|  |  |  |  |  |  |  |
|  | **FINANCIAL** |  |  |  |  |  |
| 1 | Payments: invoices | Cheque written in incorrect amount or payee incorrect | L | Robust Internal controls: RFO and member check invoice; 2 members initial cheque stubs & invoice | L | Governed by Financial Regulations. subject to annual revision |
|  |  | Blank cheques signed | H | Blank/incomplete cheques never signed | L | **"** |
|  |  | Security of cheque books | M | RFO retains cheque books in locked fireproof cabinet | L | **"** |
| 2 | Payments: Wages & | Incorrect numbers of hours paid | M | Hours worked are recorded signed for and checked by RFO each session. Members conduct random checks. | L | Governed by Financial Regs. |
|  | Salaries | Incorrect calculation/wrong deductions | M | HMRC online PAYE used. Random sampling checks by members | L |  |
|  |  | Fictitious employee | H | All employees agreed and known by council and payroll records checked. | L | Monthly |
|  |  | Late / incorrect end of year PAYE return | H | Online filing, RFO makes end of year report to council | L | Annual - April |
| 3 | Income: precept | Correct amount not received | H | Checked against Precept form & budget. SSDC also controls payment | L | Annual - April |
|  | grants | Correct amount not received | H | Date flagged in diary/checked when received | L | Annual |
|  | VAT | Correct amount not claimed | H | VAT forms correctly completed. Random checks by members | L | Annual-March |
|  | VAT | Correct amount not received | H | VAT payment checked against claim form | L | Annual - April / May |
|  | other income | Correct amount not received | M | List of other sources regularly checked | L | Annual |
|  | bad debts | Loss of income to Council | H | Not much income from individual contracts. All contracts carefully written | L |  |
| 4 | Banking: reconciliation | No agreement between funds in bank and cashbook | H | Bank reconciliation carried out in preparation for Finance meeting and checked & initialled by Verifier. Report to Finance Committee and then to Full Council for questions. | L | Bi Monthly. |
|  | funds | Too much in current a/c-loss of interest | M | Funds continuously cleared into deposit A/C | L |  |
| 5 | Financial records | Inadequate records masking irregularities | H | Adhere to the Council's Financial Regulations - clear guidance as to proper practice | L | Random Sampling by members |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 6 | Annual return | Late submission | H | Comply, complete and return as instructed by External Audit. Report to full Council | L | Annual |
| 7 | Employees/Appointees | Fraud & embezzlement | H | Robust internal controls strictly adhered to. All payments checked by 2 members. Fidelity guarantee in place with insurers. | L | Continual. Insurance-annual |
|  |  | Incorrect hours contracted for the post | H | Full Council agrees all terms of contract |  | Annual review |
|  |  | Incorrect hours claimed | H | Full Council agrees overtime hours in advance for special projects or circumstances only | L |  |
|  |  | Incorrect mileage claimed | H | Number and reason for journeys recorded on mileage record form. Checked by RFO/members. Random checks of vehicle mileage by members. | L |  |
| 8 | PO/RFO reimbursement | Incorrect claim / items not for Council | H | Payment only against invoices. Items in office for ID.  Random checks by members | M | Random checks |
|  | Other reimbursements | Incorrect claims/maths | H | Maths checked by RFO and also by 1 of 2 signatories. | L | Continuous |
| 9 | PO/RFO | Lack of impartiality/ evidence of bias. Post holder exerting undue influence over decisions. | H | The Council, as employer maintains knowledge & control of both areas of work and all that they entail. Members alert to possibility of bias. | L | Ongoing involvement by members Continuous scrutiny |
| 10 | Contracts: cemetery, footpaths and any others | Not obtaining best value | M | Will seek to obtain 3 quotes for all work over £500 | L | Non budget items agreed by full Council |
|  | Contracts | Work not up to standard | M | Carry out regular checks | L | PO/RFO & members review quality & standards |
| 11 | Cemetery Fees | Fees too low to cover maintenance | H | Review annually and compare with other local cemeteries checked income against expend. | L | Report to Burial Committee for discussion and review annually |
| 12 | Insurance | Inadequate cover | H | Review each year with specialist Local Council insurers. Obtain three quotes before renewal due. | L | Annual |
|  |  | All property not identified | M | Keep accurate Asset Register | L | When changes occur & annual |
|  |  | inadequate employer/public liability | H | Check when insurance renewed | L | Annual |
|  |  | Asset register inaccurate for insurance | H | Maintain accurate register and review | L | Annual |
| 13 | Budgets | Allocation categories and amounts are insufficient | H | Examine trends and forecasts. Estimated expenditure needed for next financial year is discussed in Oct/Nov. and budget set in December. | L | Annual |
|  |  | Unforeseen expenses | H | Contingency allowed in each allocation plus separate contingency sum for unforeseen expenditure. | L |  |
|  |  | Ear-marked reserves not clearly identified | M | Identify / adjust when setting budget | L | Annual |
| 14 | Internal Audit | Checks list not comprehensive | H | Ensure all financial controls and procedures are in place. | M | Continual |
|  |  |  |  | Review internal audit programme |  | Annual |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 15 | Asset Register | Not up to date / inaccurate record | H | Review and update when changes occur | M | Ongoing / Annual |
| 16 | Fines | Fine by Data Prot.Office -non registration | H | Register and pay promptly. Reminder in diary | L | Annual |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | **Conflict of Interests** |  |  |  |  |  |
| 17 | Member working as  RFO/PO | A member in this position could try to exert undue  influence particularly in matters relating to budgeting and expenditure. | M | RFO abstains from discussion and vote over budget and other major financial decisions. RFO/PO is mindful at all times of the widest interpretation of the Code of conduct particularly Integrity and Impartiality. This is a member’s own responsibility and s/he should declare an interest if in doubt. | M | Continual |
|  | Member with special responsibility | Such a member could favour their own area and influence decision making. | M | Members are mindful at all time of the widest interpretation of the code of conduct re Integrity and Impartiality. Declare an interest if in doubt. | L | Ongoing |
|  | All members | A member with special area of interest also has business interests with the Council |  | No member with special area of interest has business registered with the Council |  | Annual |
|  | " | Members who own businesses failing to declare | H | Members have received Code of Conduct training | L | Commencement of term |
| 18 | Dispensations re. Code of Conduct | PO / RFO in too difficult a position to grant  dispensations, particularly if involved as a member (NALC Code) | n/a | Dispensations re Code of Conduct heard and decided by full Council (new Sos Aug.2012) | N/A | When conflicts are identified |
| 19 | **Policies** |  |  |  |  |  |
|  | Standing Orders | Inadequate / out of date | H | Customise from NALC Model and members become familiar with them. Update annually. | L | Annually in May |
|  | Financial Regulations | Inadequate / out of date | H | Ditto | L | Annually in May |
|  | Risk Assessment | Significant risks not identified | M | Continual awareness and recording of possible new areas of risk | L | Annually in May |
|  | **All other policies:** | Outdated, inadequate policies that do not serve their purpose | H | Ensure all Council policies function properly in practice and are fit for purpose. | M | Annually in May |
|  | **General Risks** |  |  |  |  |  |
|  | Business continuity | Absence of PO / RFO due illness or accident | H | A Suitably qualified Councillors is appointed to act as a short-term Deputy and shadows work of PO/RFO. Use list of locum Clerks if need be. | L | Continuous sharing of work, knowledge and practices |
|  | Legal Powers | Making ultra vires decisions | H | Full council decision making. PO and Deputy trained to seek/give advice | L |  |
|  | Maintenance | No regular programme. Could result in neglect. | H | Devise written programme and budget for maintenance | L | Review prior to budgeting |
| 20 | Records - paper | Inaccurate filing - poor storage conditions | L | Stored in box files in clean dry conditions. | L | Ongoing |
|  | Records-electronic | Loss of data through computer failure | H | Weekly back up of laptop on to external hard drive | L | Weekly on Mondays |
|  | Security | Insecure confidential records | H | Secure fireproof filing cabinet. Key holding restricted | L |  |
|  | Parish Office | Insecure area | H | Only members have keys to office. All confidential documents locked away with restricted access. | L |  |