

## Parish Council Financial and Management Risk Assessment May 2022

**“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council”**

This document has been produced to enable the Parish Council to assess the financial and management risks that it faces and satisfy that it has taken adequate steps to minimise them.

Subject	Risk(s) Identified	High/Medium /Low	Management/Control of Risk	Review/Assess/Revise
Business Continuity	Risk of Council not being able to continue its business due to an unexpected circumstance	High	To ensure a Business Continuity Plan is in place	Review Plan annually
Precept	Adequacy of precept requirements	Low	To determine the amount of precept required the Parish Council will regularly receive budget update information and the precept is an agenda item for Council to consider. At the budget setting meeting Council receives a budget update report, including actual position and projected position to the year end with indicative figures or costings obtained by the Clerk. The Clerk provides a draft budget for the following year based on these costings and making provision for specific projects previously identified by the Council for the coming financial year. Following the inclusion of any amendments suggested by the Council the proposed budget is presented to the first Council meeting in January for adoption and the precept amount agreed.	Existing procedure is adequate
	Requirements Submitted to Hinckley and Bosworth BC	Low	The Clerk submits the precept figure to Hinckley and Bosworth Borough Council in writing.	
	Amount not received by Groby Parish Council	Medium	The two precept amounts are included on the income report presented to Council, when received.	Consideration should be given to adequate level of reserves (Reserves Policy adopted on 13/05/19)
Financial Records	Inadequate records  Financial irregularities	Medium	The Financial Regulations (as reviewed by the Finance & General Purposes Committee), set out the requirements for banking, including internet banking, cheques, and electronic payments i.e. BACS and the reconciliation of accounts in April, in view of the repeal of s.150 (5) of the LGA 1972 in respect of the two signatory rule.	Review Financial Regulations at least annually.

Bank and Banking	Inadequate Checks	Low	The Council has Financial Regulations that set out the requirements for banking, including internet banking, cheques, and electronic payments i.e. BACS and the reconciliation of accounts in April in view of the repeal of s.150 (5) of the LGA 1972.	Review Financial Regulations at least annually. Review the bank signatory list when necessary, especially after the AGM and an election.
	Bank Errors	Low	If the bank does make an error when processing cheques, cash and electronic payments 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.	Monitor Bank Statements monthly.
	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 security devices used to access the accounts are locked in the Council's safe to which only the Clerk and the Deputy Clerk have keys.	Monitor Bank Statements monthly.
	Charges	Low	Bank charges are only incurred in the normal manner such as costs for cheques and paying into the account.	Monitor Bank Statements monthly.
	Security	Medium	As detailed in the Council's Financial Regulations, where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Council.	
Cash	Loss through theft or dishonesty	Low	The Council has Financial Regulations that set out the requirements. Cash is banked within 7 working days. There is currently no provision for petty cash.	Review the Financial Regulations when necessary
Reporting and Auditing	Information communication	Low	A budget monitoring statement is produced for presentation to the Council at least on a quarterly basis.	Existing communication procedures adequate.

	Compliance	Low	Auditing takes place on an annual basis.	Council to ensure it has an Internal Auditor to undertake the audit.
Direct Costs Overhead Expenses Debts	Goods not supplied but billed	Low	The Council has Financial Regulations that set out the requirements	Review the Financial Regulations when necessary
	Incorrect invoicing	Low	Prior to each Council meeting invoices are checked by the Deputy Clerk/Clerk and allocated a cost code. A Payment of Accounts Schedule and pending expenditure are reviewed by the Finance & General Purposes Committee. Also, a copy of the payment schedule is circulated to all Councillors prior to the Council meeting and any Councillor can query an invoice with the Clerk. If satisfactory the schedule is approved at the Council meeting.	
	Cheque payable/ Electronic payment incorrect	Low	The Deputy Clerk prepares the cheques/electronic payments which are authorised by the Clerk and then after the Council meeting at which the payment is approved two Councillors sign the relevant invoice. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.	
	Loss of Stock	Low	The Council has only minimal stocks, these are monitored by the Clerk.	
	Unpaid Invoices	Low	Unpaid invoices due to the Council are pursued and where possible payment is obtained in advance.	
Grants and support – Payable	Power to pay authorisation of Council to pay	Low	All such expenditure goes through the required process of approval, minuted and listed accordingly.	Existing procedure adequate.
Grants – Receivable	Receipts of Grant	Low	The Parish Council does not presently receive any regular grants. One-off grants come with terms and conditions to be satisfied	If required a procedure would need to be developed.
Charges/Rentals Payable	Payments of charges, leases, rentals	Low	The Parish Council rents the grounds that its offices and Council Chamber stand on from the Village Hall Committee, rent is paid quarterly in advance by Standing Order and payments are reported to council as made.	Rent review undertaken in 2021 and existing procedure adequate.
Charges/Rentals receivable	Receipt of rental Insurance Implications	Low	Invoices for rents/leases are issued in advance of rental period. For services undertaken by the Council invoices are issued after the work has been completed.	Existing procedure adequate. Review agreements and fees annually (if not a fixed

		Medium	The lease with the Scouts for land at Quarry Field requires the submission of insurance details to the Council on an annual basis.	sum). Ensure payment and copy of insurance document received.
Best Value / Accountability	Work awarded incorrectly	Medium	The Council has Financial Regulations that set out the requirements for the awarding of contracts.	
	Overspend on services	Low	If a problem was encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report the matter to the Council.	
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 HM Revenue	Medium	Payment of salaries are made by BACS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories and are retained and any payments are reported to Council as made. The approval of the use of BACS shall be renewed by resolution of the council at least every two years. From 1 <sup>st</sup> April 2017 the payroll is outsourced. Additional payments to staff are presented and approved by Council. Salaries are approved in advance and will be made on the last Friday of each month.  The Parish Council authorises the appointment of all employees and assesses salary rates and salary increases. The Payroll is outsourced. Salary analysis and pay slips are produced to the Finance & General Purposes Committee by the Clerk on a monthly basis together with a schedule of payments to HM Revenue (for Tax and NI).	Agreed at the meeting held on 03/06/2019 that the Council should approve salary payments <i>before</i> they are paid.  Existing procedure adequate
Employees	Loss of Key Personnel	Medium	Reference to the Continuity Plan should be made in case of loss of key personnel	Membership of SLCC /NALC and Leics & Rutland Association of Local Councils.
	Fraud by Staff	Medium	Petty cash is no longer used, and the Clerk is re-imbursed her expenses by approval of the Parish Council. Elements of the payroll and payments processes are carried out by both the Clerk and Deputy Clerk. The payroll is outsourced	
	Actions undertaken by staff	Medium	Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	
	Health and Safety	Medium	Groby Parish Council recognises health, safety and welfare as essential in the successful operation of its activities. All operations will be conducted with due regard for the Council's statutory obligations and the appropriate safeguards to minimise risks to the health and	Health and Safety Policy aims to provide sound and practical advice on safe working methods

			<p>safety of all employees and other who may be affected by our activities. The Council employs the services of a Health &amp; Safety Consultancy Service to oversee and advise on H&amp;S matters</p> <p>The Council, under The Management of Health and Safety at Work Regulations 1999</p> <ul style="list-style-type: none"> <li>• Carries out assessments of risks to employees and the general public, that are caused by their work activities</li> <li>• Introduces effective arrangements for planning, organising, controlling and monitoring controls and precautions</li> <li>• Appointed a competent company to help and advise on health and safety matters</li> <li>• Provides employees with relevant and understandable information relating to the risks arising from their work activity and the controls/precautions to be followed.</li> </ul>	and statutory requirements relevant to the work activities of the Council.
Councillor allowances	Councillors overpaid Income Tax Deduction	Low	The Council has resolved not to pay allowances only expenses for travel outside the Parish.	No procedure required
Election Costs	Risk of an election cost	Medium/High	The risk is higher in an election year. When an election is due the Clerk will obtain 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 which should not be stifled.	Existing procedures adequate – i.e. taking measures to ensure there is an adequate amount in the budget.
VAT	Reclaiming / charging	Medium	The Council has Financial Regulations that set out the requirements	Existing procedure adequate.
Annual Returns	Submit within time limits	High	The Annual Return is completed by the Internal Auditor and Clerk, approved by the Council and submitted to the External Auditor within the time limit.	
Legal Powers	Illegal activity of payments	Low	All activity and payments within the powers of the Parish Council to be resolved and minuted at Parish Council meetings. The Parish Council adopted the General Power of Competence in May 2019.	Existing procedure adequate
Agendas/Minutes /Notices/Statutory Documents	Accuracy and legality Business Conduct	Low	Agendas and minutes are produced in the prescribed method by the Clerk and adhere to the legal requirements. Agendas are displayed and minutes are available in accordance with the legal requirements.	Existing procedure adequate. Guidance/training to the Chair should be given (if

			Minutes are approved and signed at the following Council meeting. Business conducted at Council meetings should be managed by the Chair	required). Members to adhere to the adopted Code of Conduct
Members Interests	Register of Members Interests  Pecuniary Interests	Low  Medium	<p>Councillors must, within 28 days of taking office as a member or co-opted member, notify Hinckley &amp; Bosworth Borough Council's monitoring officer of any disclosable pecuniary or non-pecuniary interest which Hinckley &amp; Bosworth Borough Council has decided should be included in the register.</p> <p>If an interest has not been entered onto the Hinckley &amp; Bosworth Borough Council's register, then the member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.</p> <p>The Clerk is required to compile, hold and publish on the Council's website a register of member's interests in accordance with agreement reached with the Monitoring Officer of the Responsible Authority and/or as required by statute.</p> <p>If a member has a pecuniary interest as defined by the Code of Conduct, revised and adopted by the Council on 16<sup>th</sup> May 2022, then he/she shall declare such pecuniary interest as soon as it becomes apparent, disclosing the existence and nature of that interest as required.</p> <p>Councillors with a prejudicial pecuniary interest in relation to any item of business being transacted at a meeting may, having applied and had approved a request for a dispensation from the Proper Officer, under: Section 31(4) of the Localism Act 2011 be allowed to:</p> <p>i) participate, or participate further, in any discussion of the matter at the meeting(s); and/or ii) participate in any vote, or further vote, taken on the matter at the meeting(s).</p>	Councillors to take responsibility to notify Borough Council of update of their entry in the Register.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	Low Low Low Medium	An annual review is undertaken prior to the renewal date of all insurance arrangements in place.	Existing procedure adequate. Review insurance provision annually.

Data Protection	Policy Provision	Low	The Parish Council is registered with the Information Commissioner and blanket cover for individual Councillors has been instigated by the Parish Council (since April 2014).	Existing procedure has been revised to include blanket cover for all Councillors and is adequate.
Freedom of Information Act	Policy Provision	Low	The Council conforms to the Freedom of Information Act and responds to individual requests in accordance with it.	Existing procedure adequate.