**MUSGRAVE PARISH COUNCIL – FINANCIAL RISK ASSESSMENT**

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| FINANCIAL AND MANAGEMENT | | | | |
| Subject | Risks Identified | H/M/L | Management control of risks | Review/Assess/Revise |
| Councillors | Losing Councillor membership or having more than 4 vacancies at any one time | L  L | When a vacancy arises there is a legal process to follow. This is ether an election or co-option process. An election is out of the parish councils hands. Co-option process begins with an advert, acceptance of applications, consideration of applicants and vote at a council meeting. If there are more than 4 vacancies at any one time on the council it then becomes inquorate and the legal process for a council appointing members takes place. | Existing procedures adequate  Procedures of another body are adequate |
| Precept | Adequacy of precept  Amount not received by EDC | L  L | Regular budgeting by the council.  Precept is always considered before EDC deadline  Clerk informs council when money is received April/May | Existing procedures adequate |
| Financial Records | Inadequate records  Financial irregularities | L  L | The council has Financial Regulations which set out the requirements | Existing procedures adequate  Review of financial regulations annually |
| Banking | Inadequate checks  Bank mistakes  Loss  Charges  Loss of signatories | L  L  L  L | The Council has financial regulations which set out the requirements for banking, cheques and reconciliation of accounts.  The Clerk reconciles the bank accounts quarterly when the bank statements arrive any problems/irregularities are dealt with immediately by informing the bank. Bank statements are monitored monthly | Existing procedures adequate |
| Cash/Loss | Loss through dishonesty or theft | L | The Council has financial regulations which set out the requirements  Cash or Cheques received are banked within 3 working days. There is no petty cash and 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. | Insurance is adequate for the requirements but there is still risk of other claims |
| Grants received | Receipts of Grants | L | The Parish Council does not presently receive any regular grants. Grants received would come with terms and conditions | Procedure would need to be formed if required |
| Best Value Accountability | Work awarded incorrectly and overspend on services | L | The Parish Council would seek if possible at least 3 quotations for any work required to be undertaken or goods. For major contract services formal competitive tenders would be sought. | Existing procedure adequate |
| Salaries & Expenses | Salary paid incorrectly  Unpaid NI | L | The Parish Council authorises all payments at parish council meetings.  Salary payments are made by an independent company who use their own payroll system and pay the Inland Revenue directly. | Existing procedure adequate |
| Employees | Loss of Clerk  Fraud by Clerk  Actions undertaken by Clerk | L  L | Reference to a Continuity Plan should be made in case.  The clerk should be provided with relevant training to undertake the role. |  |
| Election Costs | Risk of Election cost | H | Risk is higher in an election year. EDC send out an estimate of costs so this can be budgeted for. | Existing procedure adequate |
| VAT | Re-claiming | L | VAT is claimed annually | Existing procedure adequate |
| Employers Annual Return | Paying and accounting for NI & Tax | L | Employers Annual Return is completed and submitted to Inland Revenue by an independent company | Existing procedure adequate |
| Internal Audit | Audit completed within time frame | L | An Internal Auditor is appointed by the Council. Internal Auditor is supplied with the relevant documents to audit and complete the form for the External Auditor | Existing procedure adequate |
| Annual Return | Completion and Submission within timely manner | L | Annual Return is completed and signed by the RFO and Chairman, submitted to the Internal Auditor for completion and signing and then sent to the External Auditor | Existing procedure adequate |
| Legal Powers | Illegal activity or payments | L | All activity and payments are resolved and minute at full Parish Council Meetings. | Existing procedure adequate |
| Minutes & Agendas | Accuracy | L | Minutes and Agendas are produced by the Clerk and adhered to the legal requirements and best practice guidelines.  Minutes are approved and signed at full Parish Councils Meetings.  Minutes & Agendas are displayed according to legal requirements. | Existing procedure adequate  Members to adhere to the Code of Conduct |
| Members Interest | Conflict of Interest  Register of Members Interest | L  M | The declaring of interests by members at a meeting is to remind Councillors of their duties and is always on the Agenda.  Register of members interests form are regularly reviewed by the Clerk. | Existing procedure adequate  Members to take responsibility to update their register |
| Insurance | Adequacy  Cost  Compliance | L | An annual review is undertaken of all insurance arrangements are in place. Employers and Employee liability insurance is a necessity. | Existing procedure adequate |
|  | FIDELITY GUARANTEE |  |  |  |
| Assets | Loss or Damage to third parties | L | An annual review of assets is undertaken | Assets register is updated annually |
| Maintenance | Poor performance of assets or amenities | L | All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are authorised is accordance with the correct procedures of the Parish Council. All assets are insured and reviewed annually | Existing procedure adequate |
| Meeting Location | Adequate Health & Safety | L | The Parish Council Meetings are held in the Village Hall and the premises and facilities are considered to be adequate for the Clerk, Councillors and members of the Public who attend | Existing procedure adequate |
| Council Records | Loss through Theft, fire, corruption of computer | L | Council’s electronic records are stored on the Clerks computer. | Existing procedure adequate |

Reviewed at meeting held on ……………………………………………

Signed by Chairman …………………………………………………….