**Barton Parish Council – Lancashire - Financial Risk Assessment 21/22**

This document has been produced to enable Barton Parish Council to assess the financial risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting the exercise, the following plan was followed:-

* Identify the areas to be reviewed
* Identify what the risk might be
* Evaluate the management and control of the risk and record all findings
* Review, assess and revise if required.

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| **Financial** |
| **Subject** | **Risk Identified** | **High/Med/Low** | **Management/Control of Risk** | **Review/Assess/****Revise** |
| **Councillors** | Having too many vacancies and PC not quorate (3 members) | L | When there is a vacancy there is a legal process to follow. By Elections are undertaken by PCC out of the Parish Council control. The Co-option process begins with an advert, acceptance of applications and voted on at a Parish Council meeting. | Existing procedures adequate. |
| **Precept** | Adequacy of precept requirements not submitted to PCC on time | L | To determine the amount of precept required the PC regularly reviews its income and expenditure. The precept is agreed by the full PC. The figure is submitted in writing to PCC. The precept is passed to the PC by BACS in April each year and an electronic receipt received. | Existing procedures adequate. |
| **Financial Records** | Inadequate records/financialirregularities | L | The Parish Council has Financial Regulations that set out the requirements. These are regularly reviewed. | Existing procedures adequate |
| **Bank and Banking** | Inadequate checks | L | The PC has Financial Regulations that set out the requirements for banking, cheques and reconciliation of accounts.  | Existing procedure adequate. |
| **Cash/Loss** | Loss through theft or dishonesty | L | We do not deal with any petty cash. This is audited annually by the Internal Auditor  | Existing procedure adequate. |
| **Litigation** | Potential risk of legal action being taken against the PC | M | Public Liability covers general personal injury claims where the PC is found to be at fault, but not spurious or frivolous claims – these cannot be insured against.  | Insurance is adequate for PC requirement but there is still risk of other claims. |
| **Reporting and auditing** | Information, communication and compliance | M | Quarterly updates are given to the PC and approved at each meeting. This includes the latest bank balance as per the statements and a breakdown of receipts and payments made in that last quarter | Existing procedure adequate. |
| **Grants and support payable** | Authorisation of PC to pay | L | All expenditure goes through the required PC process of approval and is minuted and listed accordingly. If CIL funding is used then this is also stated in the minutes. The PC has a grants application form and procedure. | Existing procedure adequate. |
| **Grants received** | Receipt of grants | L | The PC does not receive regular grants but applies to other bodies/agencies for one off grants towards projects. These have stringent terms and conditions which have to be followed. | Existing procedure adequate. |
| **Best Value Accountability** | Work awarded incorrectly. Overspend on services | M | The PC would seek more than one quotation for any substantial works. The PC would look to use the PCC framework of contractors that have already been checked for competence. A formal quotation would be obtained and agreed. Any additional expenditure is agreed by the PC | Existing procedures adequate. |
| **Salaries and associated costs** | Salary paid incorrectly. | L | The clerk is paid by standing order.  | Existing procedures adequate. |
| **Employees** | Loss of key personnel. Fraud by staff | M | The requirements of the Fidelity Guarantee Insurance should be adhered to with regards to fraud. The Clerk should be provided with relevant training, reference books and access to legal advice required to undertake the role. | Existing procedures are not adequate and the parish council should consider seeking membership with LALC and NALC so that support is available when required. |
| **Election Costs** | Risk of an election | M | There is usually a minimum cost of around £100 if the elections are at the same time as the PCC elections. If there is an additional election this is paid for by the PC. There are no measures which can be adopted to minimise the risk of an election as this is a democratic process. The PC usually allocates £100 from its budget each year in the event of an election. The parish council has healthy reserves to cover any additional costs that might occur. | Existing procedure is adequate. Reserves must be maintained at a reasonable level to cover elections. |
| **VAT** | Reclaiming | L | The PC has Financial Regulations which set out the requirements. VAT is claimed annually and checked by the Internal Auditor | Existing procedure adequate. |
| **Internal Audit** | Completed within relevant timescales | L | Internal Auditor is appointed by the PC and they are given the relevant documents to complete and sign for the External Auditor | Existing procedure adequate. |
| **External Audit/Annual Return** | Completed correctly within relevant timescales | L | Annual Return is completed and signed by the PC, then submitted to the Internal Auditor before sending to External Auditor within time limits. | Existing procedure adequate. |
| **Legal Powers** | Illegal activity or payments | L | All activity and payments within the powers of the PC are resolved and minuted at PC meetings and if necessary there is reference to the relevant power used. | Existing procedures adequate. |
| **Minutes/Agenda Statutory Docs** | Accuracy and legality | L | Minutes and Agenda are produced in the prescribed format and adhere to legal requirements and best practice guidelines. Minutes are approved and signed at the next PC meeting. Minutes and agenda are displayed according to legal requirements. Business conducted at PC meetings should be managed by the Chairman. | Existing procedures adequate. Guidance and training available for all Councillors if required. Members should adhere to the Code of Conduct. |
| **Members Interests** | Conflict of interests | M | Councillors are asked at the beginning of each meeting if they have any prejudicial or personal interests in an item on the agenda. There is a procedure for dealing with this. Register of Interest forms are reviewed by Councillors. Any complaint against a Councillor is dealt with by the Monitoring Officer at PCC. | Existing procedures adequate. Councillors take responsibility to update their Registers of Interests. |
| **Insurance** | Adequacy/CostComplianceFidelity Guarantee | L | An annual review is undertaken of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for. Fidelity checks are made.  | Existing procedure adequate. Review insurance provision annually. |
| **Data Protection** | Policy Provision | H | The PC does not have a policy in place for data protection and needs to develop one.  | A data retention policy and data protection privacy policy to be produced. |
| **Freedom Of Information Act** | Policy Provision | L | The PC has a model publication scheme for Local Councils in place. If a substantial request is received then this will be dealt with by the Clerk | Monitor and report any impacts made under the Fof I Act. |
| **Assets** | Loss or damage and replacement | L | An annual review of assets is taken for insurance provision.Assets are inspected on a regular basis to ensure they are in good condition and regular maintenance is carried out.The Parish Lengthman maintains the assets in the village on behalf of the Prish Council. | Existing procedure adequate. Asset register updated annually |
| **Meeting Location** | Health and Safety | L | PC meetings are held at the Village Hall and the meetings are open to the public. The venue is considered to be adequate for all who attend. | Existing location adequate. |
| **Council records paper** | Loss through theft fire or damage | M | The parish council records are stored at the Clerk’s house. Older records are stored at safe custody hold in their archives. The Clerk has largely moved the Parish Council over to a paperless system | Consider using a cloud based system for all document storage where appropriate. |
| **Council records electronic** | Loss through theft fire or damage | M | PC records stored on the Clerk’s computer. These are backed up onto an external hard drive on a regular basis. | Consider using a cloud based system for all document storage where appropriate. Consider setting up a dropbox for all financial information should the clerk become ill or unavailable at any point. |

Financial Risk Assessment 14 June 2021

Approved at Barton Parish Council meeting on \_\_\_\_\_\_\_\_\_\_\_\_\_\_