

HIGHCLERE PARISH COUNCIL FINANCIAL RISK ASSESSMENT – MAY 2021

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; ensuring that all 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

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 either leads to a By-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. If there are more than 5 vacancies at any one time on the Council, it becomes inquorate. The legal process of Basingstoke & Deane Borough Council appointing members takes place.	Existing procedures adequate. Procedures of another body are adequate
Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance.	L	There is a Highclere Parish Council Emergency Plan. All councillors should have up-to-date anti-virus software.	Review plan when annually.
Precept	Adequacy of Precept Requirements not submitted to BDBC in time Amount not received by BDBC.	L L L	To determine the Precept amount required, the Parish Council regularly receives budget update information and the Precept is an agenda item at full Council. At the Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings obtained by the 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 to be requested from BDBC. This figure is submitted by the Clerk in writing to BDBC. Precept should be considered by Council before the deadline - deadline should be ascertained from BDBC asap. The Clerk informs Council when the monies are received (approx. April/May and September time).	Existing procedure adequate
Financial records	Inadequate records Financial irregularities	L L	The Council has Financial Regulations which set out the requirements	Existing procedure adequate. Review of Financial Regulations Annually.
Bank and banking	Inadequate checks Bank mistakes Loss	L L L	Retiring councillors who are signatories should be removed from the Parish Bank Account within one month of resigning. The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.	Existing procedures adequate.

	Charges Loss of signatories	L L	The Clerk reconciles the bank accounts once a month when the statements arrive. Council would choose replacements the Bank takes time to implement changes, therefore keep at least 3 current signatories. This mostly happens after an AGM/election.	Monitor the bank statements monthly.
Cash / Loss	Loss through theft or Dishonesty	L	The Council has Financial Regulations which set out the requirements. Cash/cheques received are banked within 3 banking days. 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. Litter wardens should adhere to the terms of their contracts and code of conduct.	Insurance is adequate for requirements but there is still risk of other claims.
Reporting and auditing	Information communication Compliance	L M	A monitoring statement is produced regularly and presented to Financial Overseer. This statement includes, bank reconciliation, budget update, and a breakdown of receipts and payments balanced against the bank. Council should regularly audit internally to comply with the Fidelity Guarantee	Existing procedure adequate.
Direct costs Overhead expenses Debts	Goods not supplied but billed Incorrect invoicing Cheque payable incorrect Loss of stock Unpaid invoices	L L L L L	The Council has Financial Regulations which set out the requirements. Banking Procedures – detailed in HPC Financial Regulations. A new Clerk must register for online banking. Barclays Bank will send a PINs entry reader and an Authorisation Code. On a regular basis, and at each financial year end, a member other than a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council. Cheques still require 2 authorised signatories. At each Council meeting the list of invoices awaiting approval is provided. Council approves the list of requests for payment and two councillors sign the approval of payments schedule.	Existing procedure adequate
Grants and support - payable	Power to pay 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. 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 grants would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required

Charges - rentals payable	Payments of charges, leases, rentals	L	Highclere Village Hall (of which the Parish Council is a Custodian Trustee) is run by Administrative Trustees – no lease payment is made. Annual Accounts for the Village Hall and the HVH Chairman’s Annual Report are supplied to the Council. All costs, including annual insurance, are paid by the Highclere Village Hall Committee. The Certificate is displayed in HVH.	Existing procedure adequate
Charges - Loans Receivable	Receipt of loan payments Insurance implication.	L M	Not relevant as at 17/4/19.	
Best value Accountability	Work awarded incorrectly Overspend on services	L M	Normal Parish Council practice would be to seek, if possible (and specialised services are not required) more than one quotation for any substantial work required to be undertaken or goods (see Standing Orders). 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.	Existing procedure adequate. Include when reviewing Financial Regulations Annually.
Salaries and assoc. costs	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue	L L L L L M	The Parish Council authorises the appointment of all employees through all council meetings. Salary rates are assessed annually by Council and applied when NALC/SLCC rates are confirmed. Salary analysis and slips are produced by the Clerk monthly together with a schedule of payments to the Inland Revenue (for Tax and NI). Incorrect payments would be added to the schedule of payments for approval with full explanation. These are inspected at the Council meetings and signed off by 2 councillors. The Tax and NI is worked out using an Inland Revenue computer programme updated annually. All Tax and NI payments are submitted in the Inland Revenue Annual Return. The Clerk and Litter Wardens have a contract of employment and job description. Salaries are paid in arrears, but if a meeting is cancelled or moved then payments could be late or missed. Payment of salaries via online banking should minimise this risk. Payroll is outsourced to Red76 to minimise risk.	Existing appointment system adequate. Existing payment system is inadequate and should be reviewed. A Confidential session at PC meeting needs to be held in October to carry out the annual review.
Employees	Loss of Clerk Fraud by Clerk Actions undertaken by clerk. Health and Safety	L L L L	The position of Parish Clerk will be advertised on Parish noticeboards and in the Parish magazine in the first instance in order to recruit a person from within the Parish if possible. If the loss of clerk is temporary neighbouring Clerks could be approached to arrange interim cover. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud. The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Existing procedure adequate. Purchase revised books. Membership of the SLCC. Monitor working conditions, safety requirements and insurance regularly.
Litter Wardens	Injuries	L	Litter wardens should adhere to the terms of their contracts and use the litter picker and high visibility jackets supplied and park their vehicle safely. If a litter warden is required, the position will be advertised on Parish noticeboards and in the Parish magazine in the first instance in order to recruit a person from within the Parish if possible.	Check the condition of the high viz jackets annually.

Councillor allowances	Councillors over-paid Income tax deduction	Negative	No allowances are allocated to Parish Councillors.	No procedure required.
Election costs	Risk of an election cost	H	When a scheduled 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 which can be adopted to minimise the risk of having elections, as this is a democratic process	Existing procedure is inadequate in the case of By-elections. Council should consider precepting a larger amount each year, and saving each year to cover all costs
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 Clerk.	Existing procedure adequate
Audit - Internal	Audit Completion within time Limits	L	Internal auditor is appointed by the Council. 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. The Transparency Code is adhered to from July 2015	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 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 power used. As per the Financial Regulations prescribe.	Existing procedure adequate.
Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	L L	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to the legal requirements. Business conducted at Council meetings should be managed by the Chair.	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct
Members interests	Conflict of interest Register of Members interests	L 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. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate. Members take responsibility to update their Register
Insurance	Adequacy Cost Compliance	L L L	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. Review insurance provision annually.

	Fidelity Guarantee	M		Review of compliance
Data protection	Policy Provision	L	The Council is registered with the Data Protection Agency: The Information Commissioner's Office, as advised under Parish Councils. The Council endeavours to have a data protection policy in line with GDPR.	Ensure annual renewal of registration
Freedom of Information Act	Policy Provision	L 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 5 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 of requests made under the F of I Act.
Assets	Loss or Damage Risk/damage to third party(ies)/property	L L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset register updated annually in accordance with internal auditor's suggestions
Maintenance	Poor performance of assets or amenities Risk to third parties	L 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.	Existing procedure adequate. Ensure inspections carried Out.
Notice boards	Risk/damage/injury to third parties Road side safety	L L	Parish Council has two notice boards sited around the village. All locations have approval by relevant parties, insurance cover, and are inspected regularly by the Clerk - any repairs/maintenance requirements brought to the attention of the Parish Council. They are securely positioned. Keys held by the Clerk and 1 other member of the Council.	Existing procedure adequate
Street furniture	Risk/damage/injury to third parties	L	The Parish Council is responsible for two bus shelters and two dog litter bins which are covered by insurance. These are inspected regularly by the clerk - all reports of damage or faults are reported to Council and/or dealt with. There is plenty of space to walk around these items and there is very low risk of pedestrians walking into the street furniture. The Council has a speed limiting device which is sited in line with the licence issued by Hampshire County Council. A sub-contractor, who also works for HCC erects the sign and he has been provided with detailed instructions. He has his own public liability insurance.	Existing procedure adequate.
Meeting location	Adequacy Health & Safety	L M	The Parish Council Meetings are held at the Village Hall. The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects	Existing location adequate.
Council records - paper	Loss through: theft fire damage	L M L	The Parish Council records are stored in 3 locations – historical records are with Archive, Hampshire County Council (Records between 1895 and 2017, documents relating to HVH). Current records are held at the clerk's home office in lockable metal filing cabinet. Copies of working documents relevant to the Village Hall with the Village Hall Committee.	Damage (apart from fire) and theft is unlikely and so provision adequate

Council records - electronic	Loss through: Theft, fire, damage corruption of computer	L M	Council's electronic records are stored on the Clerks computer which is password protected. Back-ups of the files are taken at regular intervals and stored in Dropbox and on the HPC Samsung external hard drive located in the Clerk's lockable filing cabinet.	Back up of electronic files stored in One Drive and on external hard disk.
Travel	Car travel for Council business	L	The Council asks that all Councillors have current comprehensive car insurance.	Email or hard copy claim for travel expense (45p per mile in line with HMRC guidelines), with details of journey completed, and confirmation that their car has comprehensive insurance.

Reviewed at meeting held on 04 May 2021.

Signed by: