

## Patching Parish Council Risk Assessment

2020 - 2021

### FINANCE

Subject	Risk Identified	Control/Management of Risk	Assessment
Banking	1 Inadequate checks	1 Financial Regulations set out requirements for banking, cheques and account reconciliation - RFO reviews banking arrangements as required	1 Adequate
	2 Errors	2 Multiple signatures are required for any payment to be made Bank errors are discovered when RFO performs monthly reconciliation of account	2 Check monthly statement
	3 Charges	3 Charges are avoided/minimised by regular monitoring of balance and procedures	
	4 Loss of signatories	4 PPC would choose replacements but the Bank takes time to implement changes	4 Review signatories periodically
Online Banking	1 Access to false website	1 Internet banking sites are accessed directly and not via a search engine.	Adequate but new risks may appear and may require new or additional procedures
	2 Security of passwords/user ID's	2 Passwords are only known to individuals who have been granted access.	
	3 Fraud	3 All electronic transactions must be agreed and accessed by at least two full signatories.	
Precept	1 Adequacy of precept	1 Regular budget review by Full Council Quorate precept meeting essential in last quarter of calendar year	Adequate
	2 Requirements not submitted to ADC in time	2 Precept should be considered by Council before the deadline - deadline to be ascertained from ADC by RFO (typically end of January/early February).	
	3 Amount not received by PPC	3 RFO informs PPC when monies are received (approx April/May and September).	
Financial records	1 Inadequate records	2 Financial Regulations set out the requirements.	Regulations available on website Review regulations periodically
	2 Financial irregularities	2 Annual audit ensures compliance	
Cash	Embezzlement	1 No petty cash facility	1 Adequate
		2 No cash transactions	2 Adequate
		3 Insurance has a fidelity clause providing cover up to £25K	3 Maintain adequate insurance
Grants - payable	1 Ability to pay	1 There are currently no payable grants and none budgeted for	1 N/A
	2 Authorisation of Council to pay	2 Any such expenditure would go through the PPC process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure.	2 PPC request S137 rules if required.
Grants - receivable	Receipt of grant	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
Auditing/ reports	1 Communication	1 A budget monitoring statement is produced before each Council meeting and discussed and approved at the meeting.	Existing procedures adequate
	2 Compliance	2 A full list of payments, receipts and cheques is produced before each Council meeting and balanced against the bank statement.	
	3 Time limit for internal audit	3 Internal auditor is appointed by PPC and supplied with the relevant documents to audit and the forms to complete and sign for the External Auditor/public display	
Direct Costs Overheads Debts	1 Goods billed but not supplied	1 At each PPC meeting all invoices awaiting approval are considered.	Existing procedures adequate
	2 Incorrect/unpaid invoicing	2 All requests for payment are approved by at least two Councillors and checked	
	3 Cheque payable incorrect	3 by Clerk and/or RFO	

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### FINANCE (continued)

Subject	Risk Identified	Control/Management of Risk	Assessment
PPC run activities	Risk of financial loss	Such activities are not currently undertaken by PPC but would typically be financed by advance ticket sales and/or donations prior to events thus reducing the risk of financial loss	N/A
Property Leases/rentals	Non-Payment Insurance implications	PPC currently owns no property and does not lease or rent	N/A
Best value	1 Work awarded incorrectly 2 Overspend on services	1 Normal PPC practice would be to seek more than one quotation for goods or for any substantial work required to be undertaken. For major contract services, formal competitive tenders would be sought.	Adequate Review financial regulations periodically
Salaries etc	1 Salary paid incorrectly 2 Wrong hours/rate paid 3 False employee 4 Wrong deductions or unpaid NI or Tax 5 Self employed staff errors	1 The Clerk is currently the only employee and is responsible for managing PAYE 2 Salary rates and hours worked to be assessed by PPC. 3 PPC authorises the appointment of all employees. 4 Tax and NI contributions to be calculated using an IR system, reported to PPC, signed off and submitted in the IR Annual Return. 5 6 Self employed staff as 2 and 3 above but responsible for own NI and Tax	Existing procedures adequate
Election Costs	Risk of election costs	Risk is higher in election years. PPC could make provision by annual contribution to an Election Reserve Fund. District Council would provide estimate of costs.	Existing procedures to be reviewed.
Allowances and expenses	Overpayment	1 No allowances are allocated to PPC Councillors. 2 Expenses are claimed by presenting the relevant receipt for approval. 3 Expenses are monitored to ensure the budget is not exceeded.	Existing procedures adequate
VAT	Reclaiming	VAT returns are completed online (via IR website) annually and in accordance with the Financial Regulations	Existing procedures adequate
Annual return	Observe time limits	Annual Return is completed by RFO and approved by PPC and submitted to the internal auditor then sent on to the External Auditor within time limit.	Existing procedures adequate
Donations	Specificity	Donations may not be received or solicited for a specific cause	Ongoing sensitive management

### MANAGEMENT

Councillors	Losing Councillor membership or having less than 3 Councillors at any one time	1 When a vacancy arises the legal process leads to a local election or a co-option. An election is out of PPC control. Co-option consists of advertising, applications, consideration of applicants, co-option vote at PPC meeting then appointment. 2 If there are less than 3 Councillors at any one time PPC becomes inquorate. 3 The legal process of ADC appointing members is invoked.	1 Existing procedures adequate  3 ADC procedures are adequate
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### MANAGEMENT (continued)

Subject	Risk Identified	Control/Management of Risk	Assessment
Annual return	Observe time limits	The Clerk is currently the only employee and is responsible for managing PAYE Employer's Annual Return to be completed and submitted online to IR.	Existing procedures adequate
AGAR*	Not submitted within time limits	AGAR* is completed and signed by RFO and Internal Auditor then checked and sent to External Auditor within time limit. Clerk prepares timetable for submission	Existing procedures adequate
Voluntary Staff	<ol style="list-style-type: none"> <li>1 Fraud</li> <li>2 Actions undertaken</li> <li>3 Health &amp; Safety</li> </ol>	<p>All Councillors are unpaid volunteers</p> <ol style="list-style-type: none"> <li>1 Fidelity Guarantee insurance requirements to be adhered to regarding Fraud.</li> <li>2 Public Liability Insurance exists</li> <li>3 Training for staff as appropriate</li> </ol>	<ol style="list-style-type: none"> <li>1 Existing procedure adequate. Membership of the SSALC.</li> <li>3 Monitor working conditions, safety requirements and insurance.</li> </ol>
Employees	Loss of Clerk	<p>Clerk's Contract of Employment requires one month's notice</p> <p>Clerk's responsibilities may temporarily be shared amongst Councillors/ RFO</p>	A Continuity Plan should be made in case of loss of key personnel.
Council Records - Paper	Loss through theft or fire	Essential PPC records stored at the home of the Clerk, Councillors and RFO may include historical correspondence, minute books and copies, documents for ownership of property, records such as personnel, insurance, salaries etc.	Theft is unlikely
Council Records-Electronic	<ol style="list-style-type: none"> <li>1 Loss through theft, fire, corruption of computer</li> <li>2 GDPR compliance</li> </ol>	<ol style="list-style-type: none"> <li>1 Any PPC records stored on computers at PPC Councillors', RFO's or Clerk's homes are limited in line with GDPR requirements and back-ups of the files are taken at regular intervals.</li> <li>2 Adequate security will be in place if personal data is held by PPC</li> </ol>	Existing procedures adequate see FR 6.13
Data Protection	Non-compliance	1 PPC is registered as a data controller with the Information Commissioner.	1 Privacy notice displayed on website
Freedom of Information	<ol style="list-style-type: none"> <li>1 Non-compliance</li> <li>2 GDPR compliance</li> </ol>	<p>Information will normally be provided free but PPC is entitled to request a fee for any information requested to cover the cost of consumables and the clerk's time.</p> <p>2 Adequate security will be in place if personal data is held by PPC</p>	<ol style="list-style-type: none"> <li>1 Monitor and report any requests made under the FOI Act.</li> <li>2</li> </ol>
Insurance	<ol style="list-style-type: none"> <li>1 Adequacy</li> <li>2 Cost</li> <li>3 Fidelity Guarantee</li> <li>3 Compliance</li> </ol>	<ol style="list-style-type: none"> <li>1 Annual review is undertaken before policy renewal.</li> <li>2 Employers/Employee liability and fidelity insurance are necessities.</li> <li>3 Ensure compliance measures and fidelity checks are in place.</li> </ol>	<ol style="list-style-type: none"> <li>1 Existing procedure adequate.</li> <li>2 Review insurance annually.</li> <li>3 Review of compliance.</li> </ol>
Legislative changes	Lack of awareness Implementation of incorrect procedure	Membership of SSALC	Existing arrangement adequate.
Meeting location	<ol style="list-style-type: none"> <li>1 Adequacy</li> <li>2 Health and Safety</li> <li>2 Videoconferencing</li> </ol>	Meetings are normally held at the Village Hall. Premises and facilities are adequate for all attendees from Health & Safety, disability discrimination and comfort aspects. In exceptional circumstances meetings may be held by videoconference.	<ol style="list-style-type: none"> <li>1 Existing location adequate</li> <li>2 Security issues must continue to be addressed and implemented</li> </ol>
Street Lighting	Risk/Injury to third party	N/A	N/A

### ASSETS

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General	1 Loss or damage	1 There are currently no assets	N/A
Street Furniture	2 Risk/injury to third parties/property	2 An annual review of assets is undertaken for insurance, storage and maintenance provisions.	N/A
Play Area Items		There are no play areas or open spaces	N/A
Open Spaces			
Noticeboards	Loss or damage Risk/injury to third parties/property Relevance	PPC has a notice board at junction of The Street/Coldharbour Lane. The notice board is inspected and updated regularly by the Clerk and any necessary repairs/maintenance brought to the attention of PPC.	Existing arrangements adequate
<b>LIABILITY</b>			
Legal Powers	1 Illegal activity or payments 2 Working parties decisions	1 All activity and payments within PPC power to be resolved/minuted at meetings. 2 Ensure clear terms of reference	1 All activities and payments Minuted. 2 Monitor regularly
Minutes/Agendas, Notices, Statutory documents	1 Accuracy and legality 2 Business conduct	1 Minutes/agendas are produced in the prescribed method by the Clerk or a Councillor delegated by the chair and adhere to legal requirements. Minutes are approved and signed at the next PPC meeting. Minutes/agenda are displayed in accordance with legal requirements. 2 Business conducted at Council meetings, managed by the Chair.	1 Existing procedure adequate. Guidance/training available 2 Members to adhere to Code of Conduct
Public liability Litigation	Risk to third party/property/individuals	1 Insurance is in place and valid until 31/05/20 for £10m 2 Risk assessments regularly carried out to comply with requirements.	1 Existing procedures adequate. 2 Continue risk assessments
Employer liability	Non compliance with employment law	1 The Clerk is currently the only employee and ensures PPC compliance 2 Appropriate employer's liability insurance is taken out annually 3 Undertake adequate training and seek advice from SSALC	1 Existing procedure adequate. 2 Adequate cover
Legal liability	1 Legality of activities 2 Proper and timely Minuting 3 Proper document control	Chair clarifies legal position on proposals under advice from Clerk or other sources if necessary. 2 Council always receives and approves Minutes at monthly meetings. 3 Retention of document policy in place.	Existing procedures adequate.
<b>PROPRIETY (of all staff)</b>			
Members Interests	1 Conflict of interest 2 Register of Members interests	1 Councillors have a duty to declare any interests at the start of the meeting. 2 Register of Members Interest forms to be reviewed regularly by Councillors.	1 Existing procedure adequate. 2 Members to take responsibility to update their Register
All Staff	Bringing PPC into disrepute	1 Councillors have access to and understand the Code of Conduct. 2 A professional approach is undertaken on all Parish Council matters	Code is available via website