

**SAMPFORD COURTENAY PARISH COUNCIL**

**FINANCIAL RISK ASSESSMENT STATEMENT 2021/22**

Likelihood/Severity 1 = Low 2 = Medium 3= High

The Likelihood score is multiplied by the Severity score to give an overall score. The higher this is, the greater the need to implement measures to reduce the score.

Subject	Risk Identified	Likelihood	Severity	Management/Control of Risk	Review/Assess/Revise	Importance
<b>Precept</b>	Adequacy of precept in order for the Council to carry out its Statutory duties	<b>1</b>	<b>3</b>	<p>At the <b>December</b> Council meeting, a draft budget including actual position and projected position to the end of year will be presented by the Chair &amp; RFO for discussion and amendment. The Council will be able to assess the required monies for standing costs and projects for the following year and set a precept amount.</p> <p>Precept requirement to be submitted by the Clerk in writing to WDBC by the stated deadline.</p> <p>The Clerk to inform the Council when monies are received</p>	<p>Existing procedures have ensured that an accurate Precept is requested.</p> <p><b>Full review of the Current Earmarked Reserves at the point of setting the Precept (particularly those not active during the last 12 months) to ensure that their purpose and relevance still fits with the Parish Councils statutory responsibilities and the Parish Priorities.</b></p>	<b>3</b>

	Precept not received	1	3	As receipt of the precept comes in two payments contingency is in place to manage the cash flow of committed expenditure throughout the year without implications to banking services and financial responsibilities	Following the forecast expenditure and advice from DALC Unearmarked Cash flow was increased from £1000 to £2500 in line with recommendations for an authority with SCPC's level of precept	3
<b>Financial Records and controls</b>	Inadequate records Financial irregularities Council not carrying out best practice in line with changes to Govt financial legislation resulting in failure of external audit	1 1 1	3 3 3	The Council has Financial Regulations which sets out the requirements.  Regular Internal audit RFO to attend training if necessary  Periodic Review of Computer system	Annual Review of Financial Regulations undertaken by RFO and Chair.  Recording Procedures discussed with the Internal Auditor and amended as income/expenditure increases.	3 3 3
	Loss of electronic records	1	3		Regular Back up (External hard drive or Cloud Storage)	3
<b>Bank and banking</b>	Lack of control over banking/procedures/checks	1	2	The Council has Financial regulations which set out the requirements for banking and reconciliation of the Parish Council bank accounts. The bank statements are monitored on a monthly basis and any irregularities are raised with the bank immediately.	Existing procedures ensure that banking controls are followed and are adequate including dual signatory authorisations.	2
	Mistakes by the bank Charges	1	1	Use of accounting software is a check against mistakes Monthly reconciliation/reports presented to Parish Council meetings.	(New online Banking with Unity makes accountability more immediate)	1
<b>Cash, cheque Handling</b>	Loss through theft by staff or others of monies paid to the Clerk	1	1	Clerk holds no petty cash.  Occasional cash receipts paid in asap at North Tawton Post Office.  Occasional cheque receipts posted to Unity Bank.	Existing procedures are adequate.	1
<b>Urgent Expenditure</b>	Further damage or risk to property, staff, general public	1	3	Chair or Clerk authorised emergency spending of up to £100 (FRegs 4.5) which must be reported and justified at the next full Council meeting	Existing procedures are adequate	3

<b>Budgets</b>	Insufficient funds are provided under a budget head	1	2	Monthly budget monitoring should be undertaken by the Clerk and shortfalls highlighted to the full council	Use of variance analysis of previous budgets to provide guidance when producing budget. Clerk minutes to show if funds are transferred from one budget head to another	2
<b>Reporting and auditing</b>	Reporting Information communication Compliance	1	1	SCPC is presented with a monthly report by the Clerk which includes the current financial position and details of income and expenditure. Members have the opportunity to discuss, question, review financial matters during the monthly Parish Council meeting.	Existing procedures are adequate	1
<b>Grants</b>	Receipt of grants	1	1	SCPC currently receives an annual Grant from Chase Milton Energy (re Windturbine at Honeychurch) <b>This is a restricted fund and their conditions are that it is used for an ecological project if possible.</b>	On receipt each year, full council decide which Ear marked Reserve or project should benefit from this grant, <b>in line with the Parish Priorities.</b>	1
<b>Grants and support payable</b>	Power to pay Authorisation of Council to pay	1	1	All such expenditure must adhere to the Council process of approval, being minuted and listed accordingly when payment is made using S137 powers of expenditure.	Existing procedures meet requirements.	1
<b>Parish Council run activities</b>	Financial Loss	1	1	SCPC tend not to run activities themselves, but will support other parish organised activities.	Each activity is assessed individually	1
<b>Best value accountability</b>	Work awarded incorrectly.	1	2	Financial Regulations followed. 3 Quotations/estimates obtained for work costing in excess on £1k. Financial controls to be undertaken and monitored. Procurement procedures to be followed. Following Parish Council approval, where possible, local trades people will be awarded contracts/work.	Existing procedure adequate.	2
	Overspend on services.	2	2		Ensure procedures are included in Financial regulations and review annually.  Review contracts annually	4
<b>Cover for work undertaken by Contractors</b>	Claim received for injury or damage to property allegedly caused by a contractor working on behalf of the Parish Council.	2	3	All contractors must supply evidence of public liability insurance  Risk Assessments for work being undertaken and Safe Systems of work	Maintain a list of preferred contractors with documents updated on an annual basis  Acquire RA and SSW when contractors are employed	6

<b>Salaries and associated costs</b>	Salary paid incorrectly.	1	1	Contract of Employment in place for all employees.  Annual review of salaries to be undertaken before Annual Precept is agreed.	Existing procedures are adequate Annual review to take place.	1
	Unpaid Tax/NI to Inland Revenue resulting in penalties to the Council	1	1		Clerk's Salary reviewed at Dec Meeting. It was agreed to increase the Clerk's pay Scale to SCP 24 in the LC2 Substantive range, and hours to remain at 25 per month. This increase will take effect from 1 st April 2022 and will be reviewed annually or upon the issue of a new contract	1
	Wrong hours paid Wrong rate paid	1 1	1 1		1 1	
<b>Employees</b>	Fraud by staff	1	1	The Requirements of the insurance to be adhered to with regards to fraud. Finance reports presented. Internal and external audit controls  All employees to be provided with adequate direction and any safety equipment needed to undertake their roles. Risk Assessments to be undertaken and Safe Systems of Work to be implemented  Reference to a continuity plan should be made. Adequate staff levels to be provided so temporary cover can be maintained.	Existing procedures meet requirements.  Membership of NALC & LALC	1
	Health and safety breaches	1	1/2/3		Regular monitoring of Health and Safety requirements. Risk Assessment to be carried out on annual basis or when there is a significant change.	1/2/3
	Loss of key personnel	1	3		Procedure should be formalised. Annual Review of training requirements	3
<b>VAT</b>	Reclaimed 2 or 3 times per year	1	1	Monthly record of VAT payments kept and reclaimed via Vat126 form at least twice a year.	Existing procedures meet requirements	1
<b>Audit – Internal,</b>	Financial documentation not submitted as required within time limits	1	3	Internal Auditor is appointed by the Council and is supplied with any documents requested and allowed access to the accounting software and bank account.  External Audit Annual Return completed and signed by the Council, submitted to internal auditor for completion and relevant checks within time frame specified.  Further requests from the External Auditor to be responded to promptly by the Clerk and reported to the Full Council.	Existing procedures meet requirements  New Internal Auditor appointed at Dec meeting. – Crediton Town Clerk	3
<b>External Annual Return</b>	Records not maintained as required	1	3		3	
	Statutory and Council regulations not adhered to	1	3		3	

<b>Legal Powers</b>	Illegal activity or payments	<b>1</b>	<b>2</b>	All activity and payments within the powers of the Parish Council to be resolved/approved by full Council Meetings, with all decisions minuted.  Control presented through monthly finance reports	Existing procedures meet requirements	<b>2</b>
<b>Members interests</b>	Conflict of interests	<b>1</b>	<b>3</b>	Declarations of interest by members included on agenda for each full Council meeting.	Existing procedures adequate.	<b>3</b>
	Register of members interests not maintained	<b>2</b>	<b>2</b>	Register of members interests reviewed regularly and passed on to the local authority.	Members responsible for updating the register	<b>4</b>
<b>Minutes/ agendas/ Notices &amp; Statutory Documents</b>	Inaccurate and illegal official business documents	<b>1</b>	<b>1</b>	Minutes and agenda are produced by the Clerk and adhere to the legal requirements and best practice guidelines.	Existing procedures meet requirements.	<b>1</b>
	Business misconduct	<b>1</b>	<b>1</b>	Minutes are consecutively numbered, signed and dated by the chairman.  Agenda and minutes are displayed according to legal requirements.  Business conducted at Council meetings should be managed by the Chairman.	Members adhere to Code of Conduct (Awaiting new Code of Conduct from consultatation)  All councillors should undertake training	<b>1</b>
<b>Insurance</b>	Inadequate	<b>1</b>	<b>1/2/3</b>	An annual review should be undertaken of all insurance arrangements to include: • Employers and Employee liabilities • Fidelity • Public Liability • Assets and Equipment Ensure compliance measures are in place	Annual review of requirements each  Review of Insurance undertaken by Cllr Morrissey & Collins, Jan meeting, and recommendations actioned.  April/May (Renewal 1.6.22).	<b>1/2/3</b>
	Excessive Cost	<b>1</b>				
	Non-Compliant	<b>1</b>				
<b>Litigation</b>	Risk of legal action being taken against the Council	<b>2</b>	<b>2</b>	Public Liability insurance would cover general personal injury claims if the Council were found to be at fault.	Insurance is adequate, but there remains a low risk of spurious or frivolous claims which cannot be insured against. Special EMR fund for Legal advice.	<b>4</b>

<b>Data protection</b>	Compliance with GDPR	<b>2</b>	<b>3</b>	Website updated to ensure compliance. Ensure all members are aware of their obligations with regard to GDPR The Clerk to ensure compliance with regard to the keeping of records	Help sheets provided for all groups that submit copy for the website.	<b>6</b>
<b>Freedom of Information</b>	Lack of Policy Provision	<b>1</b>	<b>2</b>	The Council publishes documents as required.	Monitor any requests made under FOI (One FOI request 2020)	<b>2</b>
<b>Assets</b>	Loss or damage Risk/damage to third party property Risk/damage to third party	<b>1</b> <b>1</b> <b>1</b>	<b>1</b> <b>2</b> <b>2</b>	An annual review of assets is undertaken for insurance, maintenance and storage provision.  Insurance and asset registers are updated annually	Existing procedures meet requirements  Annual Independent Inspection of Playground Equipment.	<b>1</b> <b>2</b> <b>2</b>
<b>Maintenance</b>	Poor performance of assets or amenities. Risk to third parties	<b>1</b> <b>1</b>	<b>1/2/3</b> <b>1/2/3</b>	All assets owned by the Parish Council should be regularly inspected, reviewed and maintained. All repairs are actioned in accordance with agreed procedures. Assets are insured.	A register of the inspection of assets should be kept	<b>1/2/3</b> <b>1/2/3</b>
<b>Electronic and Paper Council Records</b>	Risk of loss/damage through theft/fire/corruption of computer equipment	<b>1</b>	<b>2</b>	The Council's electronic records are stored on laptop. (Cloud storage or external hard drive arranged)  Paper documents are kept secure.	Damage (apart from fire) and theft is unlikely so existing procedures meet requirements	<b>2</b>
<b>Building Maintenance</b>	Risk of injury to Members of the public/visitors	<b>2</b>	<b>2</b>	Produce and keep up to date a planned programme of building maintenance to prevent (as far as possible), emergency repairs Regularly undertake risk assessments	Ensure that a full building survey is carried out every 5 years Full Risk Assessments to be carried out annually. (Public Toilets, 2 x Bus Shelters)	<b>4</b>

Risk Assessment is a systematic general examination of working practices, conditions and policies that will enable the Parish Council to identify any and all potential inherent risks. This document has been produced to enable Sampford Courtenay Parish Council to assess the financial risks it faces and satisfy itself that it has taken adequate steps to minimise them. Based on a recorded assessment, the Parish Council will take all practical and necessary steps to reduce or eliminate risks insofar as is practically possible.