

SPROSTON PARISH COUNCIL

FINANCIAL AND MANAGEMENT RISK ASSESSMENT				
Subject	Risks Identified	H/M/L	Management control of risks	Review/Assess/ Revise
Councillors	Losing Councillor membership or having less than 3 Councillors at any one time.	L	When a vacancy arises there is a legal process to follow. This either leads to a bye-election or 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 fewer than 3 Councillors at any one time on the Council it becomes inquorate. The legal process of Cheshire West and Chester Council appointing members takes place.	Existing procedures adequate.
Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance.	L	Almost all working files are held electronically and shared between Members. Key records such as Minutes and Annual Accounts are published on the village website.	Existing procedures adequate.
Precept	Adequacy of precept Requirements not submitted to Cheshire West and Chester Council in time Amount not received by CWCC.	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 Budget/Precept meeting Council receives a budget update report, including actual position and projected	Existing procedure adequate

			<p>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 Cheshire West and Chester. This figure is submitted by the Clerk in writing to CWAC.</p> <p>Precept should be considered by Council before the deadline - deadline should be ascertained from CWAC asap.</p> <p>The Clerk informs Council when the monies are received</p>	
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 Charges Loss of signatories	L L L L L	<p>The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.</p> <p>Should the Bank make processing errors, these should be discovered when the Clerk reconciles the bank accounts once a month when the statement arrives. These are dealt with immediately by informing the bank and awaiting their correction.</p> <p>Monitor the bank statements monthly.</p>	Existing procedures adequate.

			Council would choose replacements but the Bank takes time to implement changes.	
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 is included in the Council's insurance provision, and advice from insurance brokers about possible threats is regularly reviewed.	Insurance is adequate for requirements but there is still risk of other claims. Insurance provided by Zurich.
Reporting and auditing	Information communication Compliance	L M	A monitoring statement is produced regularly and presented to Council, discussed and approved at the meeting. This statement includes bank reconciliation, budget update, and a breakdown of receipts and payments balanced against the bank. Council should regularly audit internally.	Existing procedure adequate.
Financial Risk	Maintaining proper control of Public funds.	L L	The Council has Financial Regulations which set out the requirements. All major expenditure has to be agreed by the whole Council and a comprehensive budget is prepared annually and monitored monthly. Delegated financial powers are defined in the Standing Orders and strictly adhered to. Expenditure is reviewed monthly as part of the financial report to the Council, and the Council's	Existing procedure adequate

			target is to maintain a general reserve that is equal to at least a year's routine expenditure.	
Grants and support - payable	Power to pay Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval, minutes 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
Best value Accountability	Work awarded incorrectly Overspend on services	L M	Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods. 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.
Employees	Fraud by Clerk Actions undertaken by Clerk. Health and Safety	L L	The requirements of the Zurich 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. Monitor working conditions, safety requirements and insurance regularly.
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT is claimed at least annually.	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.	Existing procedure adequate
Annual Return	Completion/Submission within time limits	L	A signed copy of the Annual Return approved by the Council is submitted to the internal auditor for completion and signing.	Existing procedure adequate
Legal powers	Illegal activity or payments	L	All activity and payments, as prescribed by the Financial Regulations, within the powers of the Parish Council have to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used.	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. 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	Existing procedure adequate. Members take responsibility to update their Register, prompted by the Clerk.

			Councillors of their duty and should remain on the agenda. Register of Members Interest forms should be reviewed regularly by Councillors.	
Insurance	Adequacy Cost Compliance Zurich Guarantee	L L L M	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 Zurich checks are in place.	Existing procedure adequate. Review insurance provision annually. Review of compliance
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.	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	A full asset register is maintained and checked against the level of insurance cover annually.	Asset register to be updated Annually
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	L L	The Parish Council has one notice board sited on the village green. All locations	Existing procedure adequate

	Road side safety		have approval by relevant parties, insurance cover, inspected regularly by the Clerk - any repairs/maintenance requirements brought to the attention of the Parish Council.	
Meeting location	Adequacy Health & Safety	L M	Parish Council Meetings are held at the Holmes Chapel Shooting Lodge. 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	The Parish Council records are stored in 3 locations – historical records are with Cheshire County Council and current records are at the Clerk’s home office in a locked cabinet.	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	The Parish Council’s electronic records are stored on the Clerk’s computer that is owned by the council. Back-ups of the files are taken at regular intervals.	Back up of electronic files stored.

Reviewed at meeting held on 16 January 2020

Signed by:
Sproston Parish Council