

SANDHURST PARISH COUNCIL : FINANCIAL RISK ASSESSMENT 2019 : Approved 10 December 2019				
1. FINANCE, ADMINISTRATION AND MANAGEMENT				
Subject	Risk(s) Identified	Risk Level H/M/L	Management / Control of Risk	Review/Assess/Revise
Business Continuity	Risk of Council not being able to continue its business due to unexpected or tragic circumstances (theft, fire, corruption of computer data)	3	Requires a business continuity plan (BCP)	BCP to be written and approved by SPC
Precept	Adequacy of precept	3	Precept requirement is reviewed annually by Finance Committee and recommendations taken to SPC early December. Council reviews financial information including actual spend, end of year forecast and estimated figures for next financial year. This information is used to agree and set specific budget headings and amounts for the following year. The total is resolved to be the precept requested from TWBC	Procedure adequate
	Requirements not submitted to TWBC		Request submitted electronically by RFO	Procedure adequate
	Amount not received by SPC		RFO checks money received and notifies SPC	Procedure adequate
Financial Records	Inadequate records	3	SPC has Financial Regulations which set out requirements	Procedure adequate
	Financial irregularities		SPC has Financial Regulations which set out requirements and annual audits are carried out to ensure compliance	Procedure adequate
	Loss of records		Computer backups are made regularly	Procedure adequate
	Inadequate checks		SPC has Financial Regulations which set out requirements for banking and reconciliation of accounts	Procedure adequate

Bank & Banking	Bank mistakes/loss/charges	3	Bank accounts are reconciled by the RFO and signed off by a delegated councillor every month following a visual check of the online statements to verify the hard copies are a true record	Procedure adequate
Cash	Loss through theft or dishonesty	2	SPC has Financial Regulations that set out the requirements. Cash received is banked within 3 banking days and a Fidelity Guarantee is included in the insurance policy	Procedure adequate
Reporting & Auditing	Information communication	2	A budget monitoring statement is prepared by the RFO and taken to the monthly Parish Council meeting	Procedure adequate
	Compliance		SPC carries out regular internal audits to comply with Fidelity Guarantee	Procedure adequate
Direct Costs, Overhead Expenses & Debts	Goods not supplied but billed	3	SPC has Financial Regulations that set out the requirements	Procedure adequate
	Incorrect invoicing		At each council meeting the list of invoices awaiting approval is considered and approved	Procedure adequate
Grants	Receipts of grants		Currently SPC is not in receipt of any grants [2019/20]	
	Awarding of grants		Currently SPC has not awarded any grants [2019/20]	
Charges	Receipt of rental	8	RFO issues invoices for the use of Old School Hall, Sports Pavilion and playing fields in accordance with contracts	Procedure needs updating
	Insurance implications		SPC has public liability insurance and hirers are required to provide proof of their own liability insurance	Procedure needs updating
Best Value - Accountability	Work awarded incorrectly/overspend on services	3	SPC has Financial Regulations that set out the requirements	Procedure adequate

Salaries & Associated Costs	Salary paid incorrectly; wrong NI or PAYE deductions made; unpaid NI or tax	4	The RFO is responsible for the calculation and payment of salaries using HRMC payment tools	Procedure adequate
Employees	Loss of key personnel	5	Key personnel are issued with contracts which require notice periods	Procedure adequate
	Fraud		The requirements of the Fidelity Guarantee insurance to be adhered to with regards to fraud	Procedure adequate
	Actions undertaken		The Clerk & RFO should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role	Procedure adequate
	Health & Safety		SPC has a Health & Safety Policy	Procedure adequate
Councillor Allowances	Councillors are overpaid	2	SPC has Standing Orders which set out the requirements	Procedure adequate
Election Costs	Risk of an election cost		Risk is higher in an election year (2020). When an election is due the Clerk will obtain an estimate of costs from TWBC for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled	
VAT	Failure to claim	2	In accordance with VAT Act 1994 the RFO submits quarterly	Procedure adequate
	VAT is reclaimed incorrectly		Reviewed by internal auditor annually	Procedure adequate
			PAYE Employers Annual Return is completed and submitted to the Inland Revenue by the RFO within the prescribed time frame	Procedure is adequate

Annual Returns	Failure to submit within time limits	2	The AGAR is completed by RFO prior to going to full council for approval and signing by the Chairman & Clerk. It is submitted to the internal auditor for completion and signing and then sent to the External Auditor	Procedure is adequate
Council Records - paper	Loss through theft, fire or damage	8	Work in progress	The Clerk is to carry out an audit of all paper records and will make safe storage recommendations by 31.3.20
Council Records - electronic	Loss through theft, fire, damage or corruption of computers	5	Computers backed up regularly onto external drive which stored in fireproof cabinet off site; documents backed up to cloud no documents stored permanently on computers	Procedure adequate
Insurance	Adequacy, cost and compliance	2	All insurance arrangements are reviewed annually.	Procedure adequate
	Fidelity Guarantee		Fidelity Guarantee in place	Procedure adequate
Freedom of Information Act	Policy	3	SPC has a model publication scheme for Local Councils in place	Procedure adequate
	Provision		SPC is able to request a fee for any information requested to cover the cost of consumables and the clerk's time	Procedure adequate
Data Protection / GDPR	Policy	5	SPC is registered with the Information Commissioner's Office	Procedure adequate
	Provision		Annual review of processes and training to ensure compliance with GDPR	Procedure adequate

Meeting Location	Adequacy and Health & Safety	2	Parish council meetings are held in the Old School Hall. The premises and facilities are considered to be adequate for the Clerk, RFO, Councillors and Public who attend from Health & Safety and comfort aspects	Existing location adequate
2. ASSETS				
Street furniture, play areas, open spaces, noticeboards, office equipment, gates, etc	Loss	5	Asset register is kept and updated annually and insurance is reviewed	Procedure adequate
	Risk or damage to third parties or property		Regular checks are made; maintenance is carried out and RoSPA recommendations are implemented	Procedure adequate
3. LIABILITY				
Legal Powers	Illegal activity or payments	2	All activity and payments made within the powers of the parish council (not ultra vires) and to be resolved and clearly minuted	Procedure is adequate
Minutes/Agendas/ Notices/Statutory Documents	Accuracy and legality	2	Minutes and agenda are produced by the Clerk and adhere to legal requirements	Procedures adequate
			Minutes are approved and signed at the next council meeting	
			Minutes and agenda are displayed according to legal requirements	
	Business conduct		Business conducted at council meetings should be managed by the Chairman	
Contractors	Not insured or inadequately insured	5	Clarify that contractors/subcontractors are insured and obtain copies of certificates and schedules	Procedure adequate

Public Liability	Risk to third party, property or individuals including volunteers (Eg: Speedwatch)	2	Insurance is in place up to £10 million	Procedure adequate
Employer Liability				
	Non-compliance with employment law	2	Member of KALC so advice can be sought	Procedure adequate
Legal Liability	Legality of activities	3	Clerk to clarify legal position on proposals and to seek advice if necessary	Procedure adequate
	Proper and timely reporting via minutes		Minutes always received and approved at following monthly meeting	Procedure adequate
	Proper document control		Financial and other documents retained as legally required and in accordance with Retention Policy	Procedure adequate
4. COUNCILLORS PROPRIETY				
Members' Interests	Conflict of interest	2	Councillors have a duty to declare any interests at the start of the meeting	Procedure adequate
	Declaration of Councillors' Pecuniary Interests		Declaration of Pecuniary Interest forms to be reviewed regularly by councillors and published on website	Procedure adequate