



### FINANCIAL RISK ASSESSMENT STATEMENT 2019/20

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	1	3	At the November Council meeting, a draft budget including actual position and projected position to the end of year will be presented by the 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.	Existing procedures have ensured that an accurate Precept is requested.	3
	Requirements not submitted to St Helens Council	1	3	Precept requirement to be submitted by the Clerk in writing to St Helens Council by the stated deadline.		
	Precept not received	1	3	The Clerk to inform the Council when monies are transferred to the Parish Council bank a/c.		

<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	Annual Review of Financial Regulations undertaken by RFO and FPA committee. Procedures discussed with the Internal Auditor and amended as income/expenditure increases. Regular Back up checks	3 3 3
	Loss of electronic records	1	3	Periodic Review of Computer system		3
<b>Bank and banking</b>	Lack of control over banking/procedures/checks Mistakes by the bank Charges	1 1	2 1	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. Use of accounting software is a check against mistakes Monthly reconciliation/reports presented to FPA committee and Parish Council meetings.	Existing procedures ensure that banking controls are followed and are adequate.	2 1
<b>Cash/cheque Handling</b>	Loss through theft by staff or others of monies paid into the Clerk's office	1	3	Cash/cheques received are placed in the safe which is insured to hold up to £5k in cash. Cash and cheques are collected regularly from the premises and taken to the bank securely through Barclays Collect.	Existing procedures are adequate. Monies are usually collected from the office for depositing into the bank.	3
	Lost through theft by staff or others of cash taken when the bar is open	1	3	Cash from the bar tills is counted in the presence of another staff member who checks the amounts against the till readings. Till floats are held in the safe.	If cash is being collected or taken	3

					to the bank by staff members, a messaging system is in place to ensure safety.	
<b>Urgent Expenditure</b>	Further damage or risk to property/staff/general public	1	3	Chairman of the FPA to authorise emergency spending of up to £5k 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 FPA committee	Use of variance analysis of previous budgets to provide guidance when producing budget. FPA 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	The Finance committee 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. The Internal auditor attends at least twice during the financial year.	Existing procedures are adequate	1
<b>Grants</b>	Receipt of grants	1	1	The Parish Council does not presently receive any regular grants. A one-off grant would have terms and conditions.	Procedures would need to be formulated, if required	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.	
<b>Parish Council run activities</b>	Financial Loss	1	1	Some activities are financed by advanced ticket sales, reducing the risk of loss. Other events (such as the Christmas Fayre) may have to be subsidised through the Council reserves if they do not break even.	Separate bank account opened for the Christmas Fayre so the risk can be closely monitored. Each activity is assessed individually.	1
<b>Best value accountability</b>	Work awarded incorrectly. Overspend on services.	1 2	2 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.  Ensure procedures are included in Financial regulations and review annually.  Review contracts annually	2 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	5

<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. Payroll is contracted out to St Helens Council. Bar staff hours, rates of pay and overtime calculated by the Bar Manager and checked by the Clerk before submission to St Helens Council	Existing procedures are adequate Annual review to take place.	1
	Unpaid Tax/NI to Inland Revenue resulting in penalties to the Council	1	1			1
	Wrong hours paid	1	1			1
	Wrong rate paid	1	1			1
<b>Employees</b>	Fraud by staff	1	2	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  Regular monitoring of Health and Safety requirements. Risk Assessment to be carried out on annual basis or when there is a significant change. Procedure should be formalised. Annual Review of training requirements	2
	Health and safety breaches	1	1/2/3			1/2/3
	Loss of key personnel	1	3			3
<b>VAT</b>	Not Reclaimed	1	1	The Council is not VAT registered. Reporting to council of VAT recovered on a monthly basis.	Existing procedures meet requirements	1

<b>Audit – Internal, External</b>  <b>Annual Return</b>	Financial documentation not submitted as required within time limits	1	3	Internal Auditor is appointed by the Council and makes regular visits to the Clerk’s office 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	3
	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	1	2	All activity and payments within the powers of the Parish Council to be resolved/approved at designated committee or full Council Meetings, with all decisions minuted. Control presented through monthly finance reports	Existing procedures meet requirements	2
<b>Members interests</b>	Conflict of interests	1	3	Declarations of interest by members included on agenda for each full Council meeting.	Existing procedures adequate.	3
	Register of members interests not maintained	2	2	Register of members interests reviewed regularly and passed on to the local authority.	Members responsible for updating the register	4
<b>Minutes/ agendas/ Notices &amp; Statutory Documents</b>	Inaccurate and illegal official business documents	1	1	Minutes and agenda are produced in the by the Clerk and adhere to the legal requirements and best practice guidelines. 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.	Existing procedures meet requirements. Members adhere to Code of Conduct Chairman should receive training (if required)	1
	Business misconduct	1	1			1

<b>Insurance</b>	Inadequate Excessive Cost Non-Compliant	1 1 1	1/2/3	An annual review should be undertaken of all insurance arrangements to include: <ul style="list-style-type: none"> <li>• Employers and Employee liabilities</li> <li>• Fidelity</li> <li>• Public Liability</li> <li>• Assets and Equipment</li> </ul> Ensure compliance measures are in place	Annual review of requirements each March.	1/2/3 1 1
<b>Litigation</b>	Risk of legal action being taken against the Council	2	2	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.	4
<b>Data protection</b>	Compliance with GDPR	2	3	Website updated January 2020 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	Training to be provided for all new staff Annual review to be undertaken in February	5
<b>Freedom of Information</b>	Lack of Policy Provision	1	2	The Council publishes documents as required.	Monitor any requests made under FOI	2
<b>Assets</b>	Loss or damage Risk/damage to third party property Risk/damage to third party	1 1 1	1 2 2	An annual review of assets is undertaken for insurance, maintenance and storage provision. Insurance and asset registers are updated annually	Existing procedures meet requirements	1 2 2
<b>Maintenance</b>	Poor performance of assets or amenities. Risk to third parties	1 1	1/2/3 1/2/3	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	1/2/3 1/2/3

<b>Electronic and Paper Council Records</b>	Risk of loss/damage through theft/fire/corruption of computer equipment	1	2	The Council's electronic records are stored on the cloud and both the desktop and laptop are backed up on a daily basis. Paper documents are kept secure.	Damage (apart from fire) and theft is unlikely so existing procedures meet requirements	2
<b>Building Maintenance</b>	Risk of breach of lease conditions  Risk of injury to staff/licensees/visitors	1  2	3  2	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 Health & Safety committee to ensure that full Risk Assessments are carried out annually	3  4

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 Rainford 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.



Sally Powell, Clerk & RFO January 2020