

Newtown Parish Council

Financial and Management Risk Assessment



Financial and Management Risk Management is one of the Council's key responsibilities and ensures that the required duties relating to Governance and Accountability are adhered to.

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Council to identify any potential risks inherent to the place or practices, as well as endeavouring to ensure risks are managed as effectively as possible to protect its employees, assets and community against potential losses.

Newtown Parish Council recognises that it is not possible to eliminate all risks but commits to undertake their responsibilities to risk management by regularly reviewing the Council's financial controls and at least once a year the Council will:

- Identify the key areas of risk
- Assess the potential consequences of each risk and the severity
- Identify mitigations or other ways of avoiding or minimising each risk
- Record any actions that have been taken

The Responsible Finance Officer will oversee the administration of the register in consultation with the Council and external advisors, if necessary. The Responsible Finance Officer will also ensure that other key policies, such as insurance policies and financial regulations, are reviewed in line with this risk assessment. In addition, an annual Internal Audit will be carried out to ensure there is independent scrutiny of the financial and operational risks.

The risk areas below have been assessed along with likelihood, severity and any mitigations. The levels being identified and coded Low Risk – L, Medium Risk – M, High Risk - H

Created: February 2023

Approve at meeting: 27th March 2023

Reviewed: 25th March 2024

Next review: March 25

Associated documents and policies:

Name	Legal reference
Asset Register	Accounts and Audit Regulations 2015, Reg 4 (3b)
Code of Conduct	Localism Act 2011 s27
Data Protection Policy	Data Protection Act 2018
Financial Regulations	Local Government Act 1972 s135 Accounts and Audit Regulations 2015 Reg 4
Financial and Management Risk Assessment	Accounts and Audit Regulations 2015, Reg 3
Health & Safety Policy	Health and Safety at Work etc Act 1974 The Management of Health and Safety at Work Regulations 1999
Publication Scheme	Freedom of Information Act 2000 s19
Standing Orders	Local Government Act 1972, Sch 12, para 42

Newtown Parish Council - Financial and Management Risk Assessment

Elections and membership

Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Councillors	<p>Losing membership</p> <p>Unable to maintain quorum</p> <p>Code of conduct / Incompetence</p> <p>Conflict of interest</p>	<p>M</p> <p>L</p> <p>L</p> <p>L</p>	<p>When vacancies arise, official process to be followed to advertise the vacancy leading to by-election or co-option. Membership changes reported to borough.</p> <p>If more than two vacancies arise the Council will be considered inquorate and the Borough Council will be informed.</p> <p>The Code of Conduct is reviewed and ratified regularly and outlines the members responsibilities of holding a public office and carrying out public business.</p> <p>Declarations of interest forms are completed and updated where necessary. Declarations of interest are a standing item on each meeting's agenda.</p>	<p>Existing procedures are adequate.</p> <p>Members take responsibility to update the register if necessary.</p>
Elections	Contested elections incurring unexpected costs	L	Clerk monitors election dates and ensure adequate amount in reserves.	Existing procedures are adequate.

Governance and meetings

Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Agendas	Members of the public are not aware of planned meeting dates and agenda items.	L	Meeting dates and are published (according to the legal requirements) on the Council website, social media page and on the parish noticeboards. The agenda is published on the website and on social media and the agenda can be requested from the clerk if website access is an issue.	Existing procedures are adequate.
Minutes	<p>Accuracy of minutes</p> <p>Access to minutes</p>	<p>L</p> <p>L</p>	<p>Draft minutes are circulated to all members, reviewed and ratified at the following ordinary meeting.</p> <p>Minutes are published on the Council website according to the legal requirements.</p>	Existing procedures are adequate.
Conduct at meetings	Councillor conduct	L	<p>Meetings conducted in accordance with statutory documents including Standing Orders, Financial Regulations and Code of Conduct.</p> <p>All decisions, activities and financial commitments to be resolved and minuted following a majority consensus.</p>	Existing procedures are adequate.

Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Legal Powers	Illegal activity or payments	L	All financial commitments to be resolved prior to any work / services being undertaken. Payments to be incurred in line with statutory powers.	Existing procedures are adequate.
Meeting locations	Inadequate location	L	The Parish Council meetings are held at Newtown Village Hall. The facilities and premises are considered adequate for the clerk, Councillors and members of the public in respect of Health & Safety.	Existing location adequate.
Statutory Documents	Not in place and or published	L	The Clerk ensures statutory documents and policies are in place and, where appropriate, published on the Council website.	Existing procedures are adequate.
Business continuity	Council not being able to continue business due to unexpected circumstances.	L	If appropriate, an extra-ordinary meeting can be called to discuss the response required. Advice and guidelines will be followed from local councils and by Government.	Existing procedures are adequate.

Assets and IT				
Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Physical Assets	Loss or damage to Council assets	L	An annual review of each asset, on the asset register, is undertaken for insurance and maintenance. Photos of the assets are maintained for insurance purposes.	Existing procedures are adequate.
Noticeboards	Risk of damage or injury to third parties	L	The three noticeboards owned by the Parish Council are inspected regularly by the Clerk. Their positions have been approved by relevant parties and are insured and maintained appropriately. The keys are held by the Clerk and one Parish Councillor.	Existing procedures are adequate.
Website	Out of date information on website / social media	M	Website and Social Media accounts to be monitored and critical information kept up to date.	Existing procedures are adequate.
	Parish Council data / emails inaccessible in the event of Clerk's sudden incapacity	L	Arrangements in place to ensure access to parish emails and documents and other passwords.	
Data	Data loss due to computer virus or hacking	L	Computer software is kept up to date and anti-virus software is installed on the parish laptop. Files are backed up to "cloud" storage site.	Existing procedures are adequate.

Employment and Payroll				
Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Employees	Temporary loss of staff Clerk vacancy Lack of training Health and Safety / Injury	L L L L	Councillor to act as clerk if temporary meeting cover required. If longer term, locum cover to be sought from local parishes. Clerk vacancies would be advertised on website, noticeboards, social media and local newspaper (if necessary) Clerk (only employee) to be encouraged to attend relevant training courses where required. Health and Safety policy (updated annually) covers employee and volunteer Health and Safety.	Existing procedures are adequate.
Salaries	Salary rate paid incorrectly Tax and NI contributions not calculated correctly or paid to Inland Revenue	L L	The Clerk's employment contract states their pay scale they are on. The NJC publishes details of agreed pay increases each year and these are ratified by the members and audited during the Internal Audit. Quarterly salary payments are reviewed and ratified by the Councillors prior to each payment. Basic Tools software is used to calculate tax and NI contribution payments. Monthly salary analysis slips are produced. They are reviewed, ratified and paid at the same time as salary payments.	Existing procedures are adequate.
Pensions	Failure to comply to statutory pension requirements	L	Statutory pension requirements are reviewed annually by the Clerk.	Existing procedures are adequate.

Accounting and Audit				
Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Cash	Loss through theft / dishonesty	L	The Council holds no physical cash. The Council follows Financial regulations (reviewed annually) for the processing of all payments. Cash theft / loss covered by insurance.	Existing procedures are adequate.
Precept	Adequacy of precept Requirement not submitted to Borough Council in time Precept not received from Borough Council	L L L	The Clerk prepares a full budget for the upcoming year to determine the precept required. The Council holds modest reserves for any unforeseen overspend to the budget. The budget and precept are considered well in advance of the precept deadline of the end of January. The Clerk notifies the Parish Council (via budget updates) when then precept has been received.	Existing procedures are adequate.

Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Other grants	Receipts of grants	L	The Clerk checks the bank regularly to ensure receipt of other income such as Higher Stewardship income and community grants.	Existing procedures are adequate.
Best value accountability	Work awarded incorrectly	M	Parish Council practice is to seek, if possible, more than one quote for any substantial work / service to be carried out. This may not always be possible especially for specialist services to do with work on the Common.	Existing procedures are adequate.
Payments	Banking arrangements Payment authorisation	L L	Standing orders and Financial Regulations (reviewed annually) detail the procedures in place to prevent fraudulent activity. Bank reconciliations prepared by Clerk and checked to statements by Chair at each meeting. Clerk and at least one Councillor have access to online banking for business continuity. As per the Financial Regulations, two Parish Councillors authorise each payment prior to it being paid. Each payment is supported by an invoice or expense form. Every payment is listed in the meeting minutes. Section 137 payments are reviewed and ratified at a Parish Council meeting and noted in the meeting minutes.	Existing procedures are adequate.
Financial records	Inadequate financial records Loss of financial records through fire / theft / damage	L L	Standing orders and Financial Regulations (reviewed annually) detail the records to be maintained. Annual Internal Audit reviews financial records maintained. Minimal paper records are maintained. These are stored in a plastic box at the Clerk's home. The majority of records are stored electronically and are backed up.	Existing procedures are adequate.
Budgetary controls	Overspend to budget	L	The Clerk monitors the budget and expenditure closely throughout the year and reports at each Council meeting.	Existing procedures are adequate.
VAT	VAT not reclaimed	L	The Clerk maintains records of all VAT paid throughout the year and submits the VAT 126 as soon after the end of the financial year as possible. The VAT reclaim is budgeted for the following year and once received reported to the Councillors.	Existing procedures are adequate.
Internal Audit	Completion within time limits	L	Internal auditor is appointed by the Parish Council. Documents are maintained throughout the year and collated and supplied to the Internal Auditor at the end of the year for review.	Existing procedures are adequate.
Annual return	Completion and submission within time limits Additional fees for late submission Loss of reputation	L	The Annual return is completed and signed by the Council and submitted to the internal auditor for completion and signing and sent on to the External Auditor within the given time limit.	Existing procedures are adequate.

Health & Safety and Insurance				
Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Insurance	Not in place or renewed Inadequate cover	L	As renewal approaches the Clerk contacts the existing providers for a renewal quote. The Clerk and Parish Councillors review the policy and quote for cover adequacy.	Existing procedures are adequate.
Injury / damage	Injury to contractors / employees / members / volunteers	M	The Health & Safety Policy detail the steps taken to protect individuals. Risks are assessed for each activity such as working parties and SLR deployment and individuals advised accordingly. Insurance is in place for employees and volunteers.	Existing procedures are adequate.
Trees	Injury to public / property caused by trees.	M	Hampshire County Council is responsible for tree maintenance. Tree surveys are carried out by HCC.	Procedures of another body are adequate.
Litigation	Legal action taken against the Council	M	Public liability insurance covers general personal injury where the Council is found to be at fault but not spurious or frivolous claims as these cannot be insured against.	Insurance is adequate for requirements but there is risk of other claims.

Data Protection and Freedom of Information				
Subject	Identified risks	H/M/L	Management control	Review / Assess / Revise
Data Protection	Policy Data breach	L L	The Parish Council is registered with the ICO and the registration is renewed annually. Data will be processed in line with the Council's Data Protection Policy.	Existing procedures are adequate.
Public access to records	Inadequate response to Freedom of Information requests	M	The Parish Council has adopted the ICO Model Publication Scheme and required published information in place. Statutory transparency requirements will be adhered to. It is acknowledged that if a FOI request is received it may require many hours of work to respond.	Existing procedures are adequate.