



Kingshurst Parish council

Financial and Management Risk Assessment 2023.

Introduction

This document has been produced to enable Kingshurst Parish Council to assess the financial and management risks that it faces and to satisfy itself that it has taken adequate steps to minimise them.

- The Parish Council is responsible for establishing arrangements for the management of risk.
- Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that enable the Parish Council to identify any and all potential risks inherent in the place or practices.
- This document has been produced to enable the Parish Council to assess the risks that it faces, and to satisfy itself that it has taken adequate steps to minimise those risks.
- Based on the assessment the Council will take all practical and necessary steps to reduce or eliminate the risks.

Policy and Procedures

1. The management of risk requires assessment of the likelihood of an incident occurring, and its impact if it does occur. This assessment uses 'High', 'Medium' or 'Low'. If the likelihood is high, special measures will be taken to reduce the level of risk, or the risky activity removed completely.

2. If the score is low, moderate measures may be sufficient to control or eliminate the risk.
3. When considering any new activity, the Clerk will prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.
4. Risk policy statements and consequential risk management arrangements will be reviewed by the Council annually.

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess /
Precept	Adequacy of precept requirements.	Low	The budget is monitored on a quarterly basis with figures supplied by the Responsible Finance officer	Parish council to keep system under Review
	Requirements	Low	The parish clerk submits the precept figure to SMBC Borough council in writing	By resolution of the Full Council
	Accuracy of Precept submitted to SMBC	Low	The precept will be for a fixed sum of money Precept based on sound financial budgeting and set by end of December each year, forwarded to KPC in January each year and will only be finally determined by Full Council	
Financial records	Inaducate records	Low	The Council has Financial regulations that set out the requirements	Existing procedure adequate. Review Financial regulations annually
	Financial irregularities	Low		
Financial	Inadequate records/ financial irregularities Invoices received late or incorrect	Low	Financial records to be presented at each meeting for members acceptance	Viewed Monthly at meeting

Bank and banking	Inadequate checks	Low	The council Financial sets out the requirements for banking ,payments and the reconciliation of accounts	Existing procedures are adequate
	Bank errors	Low	If the bank does make an error when processing payments and cash these are found when the bank accounts are reconciled on a monthly basis, any error is immediately reported to the bank and corrected by them.	Review financial regulations annually and the bank signature list when necessary, especially an election
	Loss	Low	Loses would result from a bank error and these would be immediately reported to the bank . possible losses from unauthorised access to the Council bank accounts are minimal as security devices used to access the accounts to which only the Parish clerk has access.	Monitor bank statements monthly
Cash	Loss through theft or dishonesty.	Low	KPC, do not have cash payments, cheques are banked within 5 working days	Existing procedures are adequate. Review the Financial Regulations annually.
Reporting and Auditing	Information and communication	Low	A budget monitoring statement is produced for presentation to the full Council on a quarterly basis. The accounts are open to public examination each year as required by the Accounting and Audit Regulations. The Annual Report is published on the Council's website. Auditing takes place on an annual basis.	Existing communication procedures are adequate. The Council appoints an Internal Auditor each year to scrutinise the accounts.
Direct costs.Overhead. Expensive.Debts.	Goods not supplied but billed.	Low	The Council has Financial Regulations that set out the requirements Any Councillor can query an invoice with the Clerk. Invoices are approved at the Council meeting. The RFO prepares payments which are approved at a Council meeting. Two Councillors sign the internal control form and any cheques. Unpaid invoices due to the Council are pursued.	Existing procedure adequate. Review the Financial Regulations annually.
	Incorrect invoicing	Low		
	Incorrect payments.	Low		
	Unpaid Invoices.	Low		

Grants and Support- Payable	Power to pay. Authorisation of Council to pay.	Low	All such expenditure goes through the required process of application and approval. Grants are minuted and listed.	Existing procedure adequate.
Grants - Receivable	Receipt of Grants/commuted sums	Low	One off grants or commuted sums come with terms and conditions to be satisfied.	Existing procedure adequate.
Best value/Accountability	Overspend on services.	Low	All contract awards are made at the relevant Committee meeting.	Existing procedure adequate.
Salaries and associated costs	Salary paid incorrectly	Low	The Council authorised the appointment of all employees. Salary rates are based on the National Joint Council (NJC) for Local Government Services Pay Scales. Salary analysis and pay slips are produced by SPC and checked by RFO. Salary is paid on a monthly basis together with any schedule of payments to HMRC (for Tax and NI). Pension contributions need to be set up as a matter of urgency	New appointment system is in place. Staffing committee is in place and concerned with all aspects of the council as employer Salaries are paid by BACS to the employees. Existing procedure inadequate
	Wrong hours paid.	Low		
	Wrong rate paid.	Low		
	False employee.	Low		
	Wrong deductions of NI or Tax. Unpaid Tax & NI contributions to the Inland Revenue.	Low		
Pension payments to be set up and monthly schedule completed by Clerk	High			
Employees	Fraud by Staff.	Low	Financial risks are low as no petty cash is held. Parish Clerk/RFO is provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Existing procedure adequate Membership of WALC/SLCC Appropriate training will be given where necessary.
	Actions undertaken by staff.	Low		
	Health and safety	Low		
Councillors allowances	Councillors Overpaid	Low	Fixed sum each month, pay slips are produced by SPC and checked by clerk each month Expense claims are accompanied by purchase receipts for expenses incurred by councillor duties.	No additional procedure required.

Elections Costs	Risk to budget from an unforeseen election cost.	Low/Medium.	The risk is higher in an election year. The Parish Clerk obtains an estimate of costs from the Borough Council for a full election and an uncontested election. There are no measures that can be adopted to minimise the risk of having a contested election as this is a democratic process	Full Council to ensure that sufficient budget allocation to cover by-election costs .
VAT	Reclaiming .	Low	VAT is reclaimed on a quarterly basis from HMRC and repaid by BACS.	Existing procedure adequate.
Annual returns	Submit within time limits.	Low	The Financial Annual Return is completed by the Internal Auditor and the Parish Clerk/RFO, approved by the Council and submitted to the External Auditor within the prescribed time limit.	Existing procedures adequate.
Legal powers	Illegal activity or payments.	Low	All activity and payments within the powers of the Council are resolved and minuted at meetings. Guidance and advice is provided to the meeting by the RFO.	Existing procedure adequate
Agendas/ Minutes Statutory documents	Accuracy and legality of Agendas/ Minutes /Notices/Statutory Documents. Business Conduct	Low	Agendas and minutes are produced in the prescribed method by the Parish Clerk and adhere to the legal requirements. Agendas are displayed and minutes are available in accordance with the legal requirements. Minutes are approved and signed at the following Council meeting. Business conducted at Council meetings is managed by the Chairman	Existing procedure adequate. Guidance/training to the Chairman is given if necessary. Members to adhere to the adopted Code of Conduct.
Members interests	Conflict of Interest. Register of Members Interests.	Low	Members declare pecuniary interests at the meeting when the item "Declarations" is reached and when an item is discussed and it becomes apparent they have an interest. The Register of Members Interest is updated by Councillors when their circumstances change and is reviewed annually. All Registers are published on the SMBC Council website.	Existing procedure adequate. Councillors to take responsibility to update their entry in the Register

Insurance	Adequacy. Cost. Compliance. Fidelity Guarantee.	Low	An annual review is undertaken prior to the renewal date of all insurance arrangements in place. A three year agreement for public liability insurance has recently been agreed to ensure best value for money	Existing procedure adequate. Review insurance provision annually.
Data Protection		Low	The Parish Council is registered with the Information Commissioner.	Existing procedure adequate. Ensure annual renewal
Freedom of information Act		Low	The Parish Council conforms with the Freedom of Information Act and responds to individual requests in accordance with it.	Existing procedure adequate.
Assets	Loss or damage Risk/damage to third party(parties)/property	Low	An annual review of assets is undertaken for insurance purposes.	Existing procedures are adequate.
Maintenance.	Poor performance of assets or amenities. Risk to third parties	Low	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure are actioned/authorised in accordance with the correct procedures of the Council. All assets are insured and reviewed annually.	Existing procedures are adequate.
Street Furniture		Low	The Parish Council owns the remembrance bench All are covered by the Parish Council's insurance policy. Faults are reported to the Parish Clerk and repairs/replacement undertaken as necessary.	Existing procedures are adequate.
Parish council Records -paper	Loss through fire, theft, damage.		The Parish Council has adopted a records management policy which sets out retention and destruction periods for all Parish Council records All recent records are stored with the Parish Clerk. Records include historical correspondence, minutes, personnel records, salary details etc	Existing procedures are adequate.
Parish council records electric	Loss through fire, theft, damage, computer failure, hacking, virus infiltration.		A large amount of data including accounts records are stored on the office computer system. A backup regime is in place. data is off site in a cloud. Anti-virus software is installed and the system has firewall protection.	Existing procedures are adequate.

Adapted 15/09/23.