



WEST DEAN
Parish Council

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

Purpose

This document is designed to ensure the Parish Council meets its requirements to*:

- maintain an adequate system of internal control including measures to prevent and detect fraud and corruption and to review its effectiveness;
- assure members there are no matters of actual or potential non-compliance with laws, regulations and proper practice that could have a significant financial effect on the ability of the council to conduct its business or on its finances;
- carry out an assessment of risks facing the council and take all necessary steps to reduce or eliminate those risks, insofar as is practically possible;
- maintain an adequate and effective system of internal audit of the council's accounting records and control systems and review their effectiveness.

**In accordance with Governance and Accountability for Local Councils A Practitioner's Guide 2010 (England)*

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Councillors	Becoming inquorate (losing ability to conduct business of the Council) through loss of councillor membership or councillor non-attendance.	L L	<ul style="list-style-type: none"> Exiting legal process for vacancies leads to either a bye-election or co-option (an election is out of the Parish Council's control). Timetable of full council meetings for the calendar year are published in advance and members are served with an Agenda three clear days beforehand. Six months consecutive absence by a member leads to their disqualification. In the event membership falls below three, Wiltshire Council's legal process to appoint members takes place. 	Existing procedures adequate.

Financial Risk Assessment

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	<ul style="list-style-type: none"> Agendas, Minutes, and governing documents can all be accessed from the website. All master documents are held in secure cloud-based storage (Dropbox) and may be accessed through any computer Computer access codes are held by the Chair in a sealed electronic envelope Locum Clerks may be employed through SLCC 	Review when necessary.
Precept	<p>Adequacy of precept</p> <p>Requirements not submitted to WC in time</p> <p>Amount not received from WC</p>	<p>L</p> <p>L</p> <p>L</p>	<ul style="list-style-type: none"> To determine the Precept for the next financial year, in Sept/Oct the Clerk/RFO delivers to full council a summary of Actual Spend V Budget for the current financial year, a list of planned projects and estimates to complete, monies held in reserves for Capital Spend Projects, and a draft budget for the next financial year (with annotations). The bottom-line figures reports operational reserves (translated to months) so as to determine overall financial resilience. Band D contribution stated to indicate financial impact upon households. Precept discussions commence Sept/Oct. Agreed adjustments are made and the Clerk/RFO represents at the Nov/Dec meetings before sign-off (which is minuted at the PC meeting). The Clerk informs Council when the monies are received (approx April/May) 	Existing procedure adequate.
Financial records	Inadequate records Financial irregularities	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate. Review of Financial Regulations completed May 2019

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Bank and banking	Inadequate checks Bank mistakes Loss of signatories	L L L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements Any mistakes are discovered when the Clerk reconciles the bank accounts against statement once a month. Adequate coverage of authorised signatories for continuity of authorising payments. Clerk deals with new bank mandate promptly 	Existing procedure adequate.
Cash / Loss	Loss through theft or dishonesty	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. Adequate insurance in event of loss through theft or dishonesty. 	Existing procedure and insurance cover adequate.
Litigation	Potential risk of legal action being taken against the Council	L	Public liability insurance covers general personal injury claims where the Council is found to be at fault	Insurance is adequate for requirements
Reporting and auditing	Information communication and compliance	L	<ul style="list-style-type: none"> A Cashflow Report is produced monthly (showing breakdown of payments, invoices, and receipts) with bank statements and account balances. Finance Group internally checks and reconciles for internal auditing purposes. 	Existing procedure adequate.
Direct costs Overhead expenses Debts	Goods not supplied but Billed, incorrect invoicing, cheque/BACS set-up incorrectly, unpaid invoices	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. Clerk/RFO raises BACS or cheque. Full councillor checks each invoice against the cheque/BACS before authorising. Cheques – two signatories. 	Existing procedure adequate.

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FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Grants and support - payable	Power to pay Authorisation of Council to pay	L	<ul style="list-style-type: none"> All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure. Council has adopted the General Power of Competence. 	Existing procedure adequate. Parish Councillors request S137 rules if required. Review GPC annually.
Grants - receivable	Receipts of Grant	L	One off grants would come with terms and conditions to be satisfied.	Procedure per T&Cs
Best value Accountability	Work awarded incorrectly Overspend on services	L	The Financial Regulations set-out quotation and tender process, incl emergency spend powers.	Existing procedure adequate.
Salaries and assoc. costs	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland	L	<ul style="list-style-type: none"> The Parish Council authorises the appointment and salary award of its employees through full council. All employees have a contract of employment and job description. Salary is awarded using the SCP scale, which is reviewed 1 April each year. Clerk/RFO paid by monthly Standing Order one month in arrears (authorised by two signatories after approval by full council). Bank statements checked monthly against Cashflow Report. Signatories have online access to cancel standing orders. Clerk/RFO inputs salary onto HMRC PAYE Tools on a monthly basis. Any tax/NI 	Existing system adequate.

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	Revenue		<p>liability is paid by the Clerk/RFO through the PC's government gateway and reported back to full council.</p> <ul style="list-style-type: none"> HMRC PAYE salary inputs/payments, and P60 are generated for inspection by the internal auditor. 	
Employees	<p>Loss of key personnel</p> <p>Fraud by staff</p> <p>Actions undertaken by staff</p> <p>Health & Safety</p>	<p>L</p> <p>L</p>	<p>The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.</p> <p>The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.</p>	<p>Existing procedure adequate.</p> <p>Monitor working conditions, safety requirements and insurance regularly.</p>
FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Election costs	Risk of an election cost	L	<ul style="list-style-type: none"> Risk is higher in an election year. When a scheduled election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. Council to budget towards the cost of elections with costs spread over 4 years, if necessary. 	Existing procedure is adequate
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT is claimed regularly.	Existing procedure adequate.
Employers Annual	Paying and accounting for NI and	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame.	Existing procedure adequate.

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Return	Tax paid on Salaries			
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	Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within time limit.	Existing procedure adequate.
Legal powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including if necessary a reference to the power used. As per the Financial Regulations prescribe.	Existing procedure adequate.
Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	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. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct.
Members interests	Conflict of interest Register of Members	L	<ul style="list-style-type: none"> Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda. 	Existing procedure adequate.

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	interests	M	<ul style="list-style-type: none"> Register of Members Interest forms to be reviewed annually by Councillors, or if circumstances change - reliance upon councillors to notify changes 	Members take responsibility to update their Register.
Insurance	Adequacy to meet needs Cost	L L	<ul style="list-style-type: none"> An annual review is undertaken (before policy renewal is due) of adequacy of all insurance arrangements against assets and other PC insurance needs 3-year agreements can reduce cost. Use broker to obtain best of market /panel quote. 	Existing procedure adequate.
General Data Protection Regulations	Policy Provision	L	<ul style="list-style-type: none"> The Council is registered with the Information Commissioners Office – DD set-up for automatic renewal and to reduce cost (by £5 p.a). The council has adopted all recommended policies associated with the GDPR Statement published on PC website 	Check annual renewal successful. Ensure Clerk is up to date with legislation and policies amended.
Freedom of Information Act	Policy Provision	L	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 if the work will take more than 15 hours.	Monitor and report any impacts of requests made under the F of I Act.

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PHYSICAL EQUIPMENT OR AREAS				
Subject	Risk(s) Identified	H / M / L	Management/Control of Risk	Review/Assess/Revise
Assets	Loss or Damage to 3 rd party/property	L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset register updated in accordance with External Auditors suggestions.
Maintenance	Poor performance of assets or amenities Loss of income or performance Risk to third parties	L L L	<ul style="list-style-type: none"> • 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. • All public amenity land is inspected regularly by parish employees. 	Existing procedure adequate. Ensure inspections carried out.
Notice boards	Risk/damage/injury to third parties Road side safety	L	Any repairs/maintenance requirements brought to the attention of the Parish Council.	Existing procedure adequate.
Street furniture	Risk/damage/injury to third parties	L	All reports of damage or faults are reported to Council and/or dealt with.	Existing procedure adequate.
Council records - paper and electronic	Loss through: Theft, Fire Computer corruption	L	The Parish Council's electronic records are saved in a secure cloud-based storage (Dropbox) password protected and accessed from any computer. Laptop is password protected. Access to all PC accounts are password protected.	Existing procedure adequate.