

HALE BANK PARISH COUNCIL FINANCIAL RISK ASSESSMENT STATEMENT 2021/22

Scores – 1 = Low 2 = Medium 3=High

Subject	Risk Identified	Likelihood	Management/Control Risk	Review/Assess/Revise	Importance
Precept	Adequacy of precept in order for the Council to carry out its Statutory duties	1	At the December Council meeting, a draft budget including actual 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. Precept requirements to be submitted by the Clerk, in writing to Halton Borough Council by the stated deadline	Existing procedures have ensured that an accurate Precept is requested	3
	Requirements not submitted to Halton Borough Council	1	Clerk to inform the Council when monies are transferred to the Parish Council bank account.		3
	Precept not received	1			3
Financial Records and Controls	Inadequate records.	1	The Council has Financial Regulations which set out the requirements.	Annual Review of Financial Regulations undertaken by RFO and the Parish Council. Procedures discussed with Internal Auditor and amended as	3
	Financial Irregularities Council not carrying out best practice in line with changes to Govt financial legislation resulting in failure of external audit.	1	Regular internal audit. RFO to attend training if necessary.		3

	Loss of electronic records	1	Periodic Review of Computer System	income and expenditure increases. Regular back up checks.	3
Bank and Banking	Lack of control over banking/procedures/checks.	1	The Council has financial regulations which set out the requirements for banking and reconciliation of the Parish Council bank account. The bank statements are monitored on monthly basis and any irregularities are raised with the bank immediately. Use of accounting software is checked against mistakes. Monthly reconciliation/reports to be presented to the Parish Council at Monthly meetings.	Existing procedures ensure that banking controls are followed and are adequate.	3
	Mistakes by the bank.	1			3
	Charges	1			3
Cash/Cheque Handling	Loss through theft by staff or others of monies paid into the Clerk's Office	1	Cash/cheques received are taken to the bank and safely and deposited as soon as possible.	Existing procedures are adequate. Income is generally deposited via online banking.	3
Urgent Expenditure	Further damage or risk to property/staff/general public	1	Chair of the Parish Council 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
Budgets	Insufficient funds provided under a budget head	1	Monthly budget monitoring should be undertaken by the Clerk and shortfalls highlighted.	Use of variance analysis of the previous budget to provide guidance when producing budget.	2
Reporting and Auditing	Reporting Information communication Compliance	1	The Parish Council is presented with a monthly report by the Clerk which includes the current financial position and details of income and expenditure.	Existing Procedures are adequate.	1

			Members have the opportunity to discuss, question, review financial matters during the meeting.		
Grants	Receipt of Grants	1	The Parish Council does not currently receive any regular grants. A one of grant would have terms and conditions.	Procedures would need to be formulated if required.	1
Grants and Support Payable	Power to pay Authorisation of Council to pay	1	All such expenditure must adhere to the Council process of approval, being minuted according to which payment is being made.	Existing procedures meet requirements	1
Best Value Accountability	Work awarded incorrectly Overspend on Services	1	Financial Regulations followed.	Existing procedure adequate.	2
		2	3 Quotations/estimates obtained for work costing in excess of £1K.		
			Financial controls to be undertaken and monitored. Procurement procedures to be followed. Following Parish Council approval, where possible, local trades people be awarded contracts/work.	Ensure procedures are included in Financial Regulations and reviewed annually. Review contracts annually.	3
Cover for work undertaken by contractors	Claim received for injury or damage to property allegedly caused by contractors working on behalf of the Parish Council	1	All contractors must supply evidence of Public Liability Insurance. Risk assessment must be submitted by contractor for work being undertaken and Safe Systems of Work.	Maintain a list of preferred contractors with documents and updated on an annual basis. Acquire RA and SSW when contractors are employed.	3
Salaries and associated costs	Salaries paid incorrectly Unpaid Tax/Ni to Inland Revenue resulting in penalties to the Council Wrong Hours Paid Wrong Rate Paid	1	Contract of Employment in place for all employees. Annual review of salaries to be undertaken before precept is agreed. Payroll is contacts out to PATA Payroll.	Existing procedures are adequate. Annual review to take place.	1 1

VAT	Not reclaimed	1	VAT to be reclaimed on a quarterly basis.	Existing procedures meet requirements.	1
Audit – Internal, External	Financial documentation not submitted as required within time limited	1	Annual internal audit to take place prior to AGAR.	Existing procedures meet requirements.	3
Annual Return	Records not maintained as required	1	Full Council to agree External Audit Annual Returned at relevant meeting and AGAR submitted to PKF Littlejohn within specified time frame.		3
	Statutory and Council Regulations not adhered to	1	Clerk to response to requests from External Auditor and reported to the Parish Council promptly.		3
Legal Powers	Illegal activities or payments	1	All activity and payments within the powers of the Parish Council to be resolved/approved at full Council Meeting, with all decisions minuted. Control to be presented through monthly finance reports.	Existing procedures meet requirements.	2
Members Interests	Conflict of interest	1	Declaration of interest by members included on agenda for each full Council meeting.	Existing procedures adequate.	3
	Register of members interests not maintained	2	Register of member interests reviewed regularly and passed on to the council authority.	Members responsible for updating the register.	3
Minutes/agendas/ Notice & Statutory Documents	Inaccurate and illegal official business document	1	Minutes and agendas are produced by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are consecutively numbered, signed and dated by the Chair.	Existing procedures meeting requirements.	1
	Business misconduct	1	Agenda and minutes are displayed according to legal requirements. Business conducted at the Council meetings should be managed by the Chair.	Members adhere to Code of Conduct. Chair should receive training (if required).	1
Insurance	Inadequate Excessive Cost Non-Compliant	1	An annual review should be undertaken of all insurance arrangements.	Annual Review of requirements each March	3

Data Protection	Compliance with GDPR	2	Website to updated annually 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 staff. Annual review to be undertaken annually.	3
Freedom on Information	Lack of Policy Provision	1	The Council publishes documents when required.	Monitor any requests made under FOI	2
Assets	Loss or damage Risk/damage to third party property Risk/damage to third party	1	An annual review of assets is undertaken for insurance purposes. Insurance and asset registers are updated annually.		2 2
Maintenance	Poor performance or assets or amenities Risk to third party	2	All assets owned by the Parish Council should be regularly inspected, reviewed and maintained. All repairs are actioned in accordance with procedure.	A register of asset inspection should be kept.	3
Electronic and Paper Council Records	Risk of loss/damage through theft/fire/corruption of computer equipment.	1	The Council electronic records are stored on the Council desktop and email. Paper documents are kept secure.	Damage (apart from fire) and theft is unlikely so existing procedure meet requirements.	3

This 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 Hale Bank Parish Council to assess the financial risks it faces and satisfy itself that it has taken adequate steps to minimise them. Based on recorded assessment, the Parish Council will take all practical and necessary steps to reduce or eliminate risks insofar as is practically possible.

Christine Southern, Clerk & RFO September 2021