

Annual Financial Risk Assessment

Financial and Management

SUBJECT	RISK(S) IDENTIFIED	LEVEL OF RISK	MANAGEMENT / CONTROL OF RISK	REVIEW / ASSESS / REVISE
Councillors	Losing Councillor membership Having more than 7 vacancies at any one time	H L H	When a vacancy arises, there is a legal process to follow. This either leads to a bye-election or into a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment. Exit checklist with what is required when a councillor leaves in place If there are more than 7 vacancies at any one time on the Council, it becomes inquorate. The legal process of Colchester Borough Council appointing members takes place.	Existing procedures adequate External procedure
Business Continuity	Risk of the council not being able to continue its business due to an unexpected or tragic circumstance	M	Business Continuity Plan is required On a temporary basis, the Clerk could operate from home using the weekly back up to access saved files and outlook. The suppliers of the Accounts and Hall Bookings software are available to assist Security of the Parish Hall was improved in February 2017 with the installation of an Intruder Alarm and security chains for all fire doors when the Halls are not in use	Write plan and Review plan annually
Precept	Adequacy of precept	L	MTPC receives a Budget Receipts & Payments analysis (with a Bank reconciliation) once a month and budgets are submitted to MTPC in October and November of each year for consultation and approval.	Existing procedures adequate

	Precept requirements not submitted in time		Clerk submits the precept requirement for Colchester Borough Council once notification is received (end of December) for submission end of January	Existing procedures adequate
	Precept not received by MTPC		A suitable level of reserves, £30,000, are held by MTPC for such an emergency	Existing procedures adequate
Financial records	Inadequate records and financial irregularities	L	MTPC has set out the requirements in their Financial Regulations. Accounts and bank statements are available for inspection by MTPC on request and are subject to audit review The Clerk presents monthly Bank reconciliations to MTPC which are also scrutinised by a Councillor to whom all original records are made available Insurance is held in respect of Employee dishonesty	Review annually
Bank and banking	Inadequate checks	L	MTPC has set out the requirements for banking, cheques and reconciliation of accounts in their Financial Regulations	Review annually
	Bank mistakes	L	Clerk scrutinises the bank statements on a monthly basis whilst undertaking a bank reconciliation and will contact the bank if an error is found	Existing procedures adequate
	Loss of signatories	L	MTPC would choose replacement signatories at the next appropriate meeting and the Clerk will action the removal / addition of signatories as appropriate	Existing procedures adequate
Cash / Loss	Loss through theft or dishonesty	L	MTPC does not accept cash payments for hall hire, and asks for cheques or BACS only. Cheques are banked as per the requirements set out in the Financial Regulations. Petty cash is maintained by the Bookings Clerk and is audited by the Clerk monthly as part of the Bank Reconciliation which is also overviewed by a Councillor on a monthly basis and the Internal Auditor at the year end If cash held should exceed £100 the surplus is banked.	Existing procedures adequate

			Insurance is held in respect of Employee dishonesty	
Litigation	Potential risk of legal action being taken against MTPC	L	MTPC maintains appropriate public liability insurance MTPC has a HSE policy and undertakes health and safety risk assessments under the control of the Parish Premises Committee and the Clerk. Ivan Dyer (Caretaker) has day to day responsibilities for HSE in the hall and grounds with information to be provided to Assistant Clerk Brigitte Taylor	Insurance in Place. Existing procedures adequate
Reporting and Auditing	Information communication	L	Accounts showing a receipts and payments analysis are shown to MTPC monthly along with a bank reconciliation, bank statements and budget analysis	Existing procedures adequate
	Compliance	L	MTPC undertakes an internal audit every year	Existing procedures adequate
Direct costs, overhead expenses and debts	Goods not supplied but invoiced	L	Staff check the delivery note with goods supplied. The Clerk presents invoices for examination at a Council Meeting once a month along with a list of payments due to be made for approval by MTPC.	Existing procedures adequate
	Incorrect invoicing	L	The Clerk checks and confirms invoicing with the staff and/or supplier	Existing procedures adequate
	Errors on cheques	L	MTPC checks the cheque details against invoice at a Council meeting. Any errors made by the Clerk in writing the cheques will nullify it and the cancelled cheque will be presented to MTPC for review	Existing procedures adequate
	Unpaid invoices	L	MTPC asks for payment in advance of the hall hiring date. Regular hirers are invoiced in bulk in advance by the Bookings Clerk. Regular reviews of overdue sums on hall hire (introduced in late 2017) are undertaken by the Clerk and Bookings Clerk and reported to Council / Premises Committee as appropriate	Existing procedures adequate
	Loss of Stock	L	MTPC maintains low levels of stock and this is reviewed by the Clerk at the order / invoice stage for any anomalies	Existing procedures adequate

Grants and support payable	Power to pay and authorisation of MTPC to pay	L	MTPC does not currently offer grants	n/a
Grants receivable	Receipts of Grants	L	MTPC does not receive any regular grant funding with exception of the Localising Support Grant given by Colchester Borough Council (and currently Locality in respect of the Neighbourhood Plan) Any grants applied for will be in accordance with the funders terms and conditions. Funds received will be entered into the Council's accounts and earmarked for the purpose they were sought	External procedure Existing procedure adequate
Charges – rentals payable	Payments of charges, leases or rentals	L	MTPC does not currently have any such liability	n/a
Charges – rentals receivable	Receipt of rental / hall hire charges	L	The Bookings Clerk manages the procedure. Two identical Booking forms are issued and one signed / returned by the hirer. The cheque in payment of the hire is received and banked. BACS payments are noted from the Bank statement when received All damage deposits are banked, in a separate bank account designated Damage Deposits, and repaid after the hire has taken place and the Bookings Clerk is satisfied there is no damage	Existing procedures adequate
Hall Hire	Loss of Premises Licence ivo lack of availability of a Designated Premises Supervisor	H	An alternative party with the appropriate qualification has been identified to step in / take over in case of need. Confirmed 13 Feb 2018	Existing arrangement adequate
Best value – Accountability	Work awarded / overspend on services	L	MTPC has set out the requirements in their Financial Regulations.	Existing procedures adequate with annual review

Salaries and associated costs	Salary paid incorrectly Wrong hours paid Wrong rate paid Wrong deductions of NI or TAX Unpaid NI or Tax contributions	L L L L L	Staff supply timesheets for the hours they work which are checked by the Clerk and then submitted to an external payroll company for payment. Payroll calculations are presented to the Council at a Council meeting for their approval. Salaries are reviewed under NALC guidelines annually. The Clerk passes on any changes to tax codes or other employee information to the external payroll company (who are also MTPC HMRC agents) as soon as possible for them to action. The payroll company also manage pension contributions for those employees who have opted in to the MTPC NEST scheme Payroll is included as part of the Internal Auditor's annual review	Existing procedures adequate
Employees	Loss of key personnel staff Fraud by staff Actions undertaken by staff Health and Safety	M L L L	Reference to the continuity plan should be made – EALC has a locum bank Fidelity Guarantee Insurance maintained by MTPC, along with internal auditing and regular reviews of accounts by Councillors Support for HR issues is available for the Clerk from EALC MTPC has a health and safety policy and the Caretakers and Cleaners are given appropriate training	Continuity plan required Existing procedures adequate Existing procedures adequate Existing procedures adequate
Election cost	Risk of an election cost	L	No elections have been called for MTPC for decades and MTPC has suitable reserves to accommodate the cost of an election if required	Existing procedures adequate
VAT	Submission of quarterly returns	L	A VAT return is submitted quarterly as at the end of March, June, September and December. Since VAT registration as at 1/4/2017 the return is submitted electronically using figures extracted from the Accounts Software HMRC issue regular reminders when returns are due	Existing procedure adequate

Employers Annual Return	Paying of NI and Tax of employees' salaries	L	MTPC employs the services of an external payroll company who pay the tax and NI monthly with confirmation issued to the Clerk. The payroll company also administer the pension arrangements for those employees who have opted in to the NEST pension scheme	Existing procedure adequate
Internal Audit	Completion within timeframe	M	Internal Auditor is appointed by the Council and is supplied with the relevant documents they consider appropriate to perform their duties and sign the Certificate contained in the Annual Return	Existing procedures adequate
Annual Return	Completion / submission within timeframe	L	Annual Return is completed and signed by the Council, submitted to the Internal Auditor for completion and then submitted to the External Auditor within the laid down timescales Details of deadlines are received with the Annual Return papers from the External Auditor and advised by EALC / SLCC	Existing procedures adequate
Legal powers	Illegal activity or payments	L	All activity and payments undertaken by the Council are put on a Council or Delegated Committee agenda, resolved and minuted as per MTPC Financial Regulations / Standing Orders	Existing procedures adequate
Minutes / agendas / notices / statutory documents	Accuracy and legality	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. Training as available to the Clerk via EALC/SLCC	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct. Regular staff appraisals are undertaken

Members Disclosable Pecuniary Interests, Other Pecuniary Interests and Registerable Non-Pecuniary Interests interests	Conflict of interests / Register of Members interests	L	Councillors are asked at each meeting to declare and interests and the Register of Members Interest forms are reviewed annually or sooner if required Councillors should declare an interest at the meeting where the precept is decided if there are in arrears with their Council Tax	Existing procedures adequate
Insurance	Adequacy / Cost / Compliance / Fidelity Guarantee	L	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for. Ensure compliance measures are in place. Ensure Fidelity checks are in place.	Existing procedure adequate. Review insurance provision annually. Review of compliance
Data Protection / General Data Protection Regulations	Policy Provision / To ensure that the Council is compliant with it's obligations	M	The Council is registered with the Data Protection Agency with effect from 11 January 2018 and renewed annually Privacy Policies and a Retention of Documents Policy are in place A Data Protection Officer named as Assistant Clerk – Brigitte Taylor Documents and policies in place and need reviewing regularly Destruction of old papers is underway	Clerk to keep under close review
Freedom of Information Act	Policy Provision	L	MTPC has a Freedom of Information Act Policy and Publication Scheme which is available on it's website	Existing procedures adequate

Physical Equipment or Areas

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Assets	Loss or damage / risk to 3 rd parties	L	An annual review of assets is undertaken for insurance provision, storage and maintenance provision A detailed review of the Asset Register and related insurance was undertaken February 2017	Asset register to be updated as appropriate
Maintenance	Poor performance of assets or amenities. Loss of income or performance Risk to 3 rd parties	M L L	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. An annual Maintenance and Decorating Plan will be prepared by the Premises Committee within the Budget agreed by the Council to avoid peaks and trough in expenditure All public amenity land is inspected regularly by parish employees.	Existing procedures adequate
Notice boards	Risk / damage / injury to 3 rd parties Road side safety	L L	MTPC has 7 notice boards around the village, all of which have approval by relevant parties. All are covered by insurance and are regularly inspected by staff. Any repairs or maintenance required is brought to the Clerks attention. Keys are held in the office	Existing procedures adequate
Playground	Risk / damage / injury to 3 rd parties	M	An annual playground inspection is undertaken by a qualified Inspector and the caretaker makes a daily visual inspection followed by a weekly physical inspection against a checklist designed by The Playground Inspection Company	Existing procedures adequate
Hall and grounds hire	Risk / damage / injury to 3 rd parties	M	Public Liability insurance held The Hall Hire terms and conditions indicate 'Hirers are advised to insure against any Third-Party Risks for which they may be responsible. The Council's insurance does not extend to cover any responsibility to Hirers'	Existing procedures adequate

			Hire terms and conditions were reviewed in October 2016 by the Premises Committee and will be updated from time to time when new issues are identified	To be Reviewed annually
Street furniture	Risk / damage / injury to 3 rd parties	L	All are covered by insurance and are regularly inspected by staff. Any repairs or maintenance required is brought to the Clerks attention.	Existing procedures adequate
Council records – paper	Loss through Theft Fire Damage	L L L	Historical records are kept in a safe, recent paperwork is kept in a locked filing cabinet, along with personnel records. Historic Minute Books are held by ECC Records Office	As the majority of records are also on computer, existing procedures are adequate
Council records – electronic	Loss through Theft Fire Damage Corruption of the computer	L L L M	A back up of the shared drive used by all office staff is made once a week on 2 separate storage devices one of which is kept off site with the Parish Clerk and the second in the fire proof safe in the Council Offices The back-up includes both the Accounts and Hall Bookings Software / records. The software suppliers RBS are available at all time to assist Anti-virus software on all MTPC computers is monitored remotely by Sarala Computers	Existing procedures adequate

Next review date: March 2020