

Kelvedon Parish Council

Financial and Operational Risk Assessment

Approved: 9 March 2021

Reviewed Annually

Kelvedon Parish Council

KELVEDON PARISH COUNCIL
Operational & Financial Risk Assessment

Scale

1 Council unable to operate
 2 Council can only operate with additional outside assistance
 3 The working of the Council is hindered but can operate in some functions

Likelihood

1 A very real danger requiring immediate action
 2 Could happen and plans should be made to avoid
 3 Unlikely to happen, but must be aware

	Risk	Scale	Likelihood	Prevention	Action
A	Operational				
1	All Members resign/fail to attend – no quorum	1	3	Members kept motivated and trained.	Seek advice from Braintree DC/EALC concerning election or co-option and interim arrangements.
2	Staff leave without notice	1	2	Staff kept motivated and trained.	Chair of Staffing Sub-Committee to arrange locum cover via EALC for Clerk. Recovery of laptop and all other files/KPC property to be arranged. Chair of Staffing Sub-Committee/Chair of Parish Council to undertake recruitment process.
3	Administrative error. Meetings not properly conducted, Council acts without legal power	2	3	Clerk obtains legal advice from EALC/SLCC/NALC as required.	Clerk to monitor decisions. Training of members and Clerk.

					Chairs of meetings to ensure all Councillors views are included and meeting properly directed.
4	Code of Conduct not observed	2	2	Code of Conduct understood by all Members	Copy of Code issued to all members. Training for Councillors and Clerk to be attended.
5	Standing Orders not observed	3	3	Standing Orders understood by all Members	Copy of Standing Orders to be kept up to date by the Clerk and reviewed annually by Council. Up to date copy to be issued to all Members.
6	Non-compliance with Parish Council Policies and Regulations	3	2	Training/awareness of policies. Copies of policies sent to all Councillors and Staff and ensure understanding	Review policies regularly and improve if necessary. Re-send policies to Councillors and Staff when updated and further ensure understanding. Seek advice from EALC if needed
7	Loss of confidence by parishioners/bad publicity	1	3	Training of Members and good PR. Use of Social Media	Councillors to attend training. Good communication with parishioners – noticeboards, website and social media to be kept up to date. Public meetings to be held for issues which impact the community as a whole. Responsible use of social media.
B	Administrative				
1	Loss of records	3	3	Secure storage of paper records and back-up of computer records in place.	Adequate storage facilities to be implemented, important archives to be kept at the Essex Records Office and back up of computer/laptop records to be undertaken regularly.
2	Computer failure	3	2	Recovery procedures in place.	To be kept under review.

Kelvedon Parish Council

				Documents stored in the 'cloud' IT Management Company employed to oversee and protect	
3	Inadequate insurance	3	3	Comprehensive inventory of Council property and risks reviewed on an annual basis. Refer to specialist if necessary.	Clerk to continually review and add/remove items on the asset register, as necessary. Parish Council to review annually. Checked at annual Internal Audit.
4	Breach of Data Protection	3	3	Data Protection Impact Assessments in place, Data Protection Policy and related policies, and Privacy Notices in place.	Clerk to keep up to date with procedures and all staff and Members to be trained as appropriate.
C	Financial				
1	Theft of Assets – cash or property	1	2	Adequate insurance and audit (internal and external) in place.	Members to check assets regularly, with an annual review. Members to ensure that insurance is in place. Internal and External audits carried out each year.
2	False accounting/fraud	2	2	Accounting procedures and internal control in place and Internal Control Policy. Insurance in place Annual internal and External audit undertaken.	Members to scrutinise invoices/cheques or online payments and initial paperwork accordingly. Each transaction is minuted. Members to ensure that insurance is in place. Independent Internal Audit undertaken each year. Internal Financial Checks undertaken each quarter.

3	Failure to manage budget or reserves properly	2	2	Financial reports presented at every Full Council and Finance meetings	Clerk to provide bank reconciliation and budget report at each meeting, showing expenditure against budget.
4	Non-compliance with Financial Regulations	2	2	Councillors and Staff have up to date copy of Financial Regulations. Ensure understanding.	Advice sought from EALC/NALC/SLCC as needed. Ensure Councillors and staff understand procedures and have up to date copy of Regulations. Training undertaken as necessary.
5	Inappropriate contracting procedures	2	2	Correct tendering procedures followed.	Clerk to advise on procurement procedure. Outside advice obtained where needed. Standing Orders and Financial Regulations kept up to date and adhered to.
6	Bad debts	2	2	All debts reviewed at each meeting	Clerk to provide financial information
7	Failure to provide proper opportunity for exercise of elector's rights in accordance with Accounts and Audit Regulations.	3	2	Information published on the website and noticeboards as appropriate and within required timescales.	Clerk to ensure the Notice of Public Rights and Publication of Unaudited Annual Return displayed correctly on noticeboard and on website. Financial documents and information to be posted on the Parish Council website and available for public to access.
8	Payment of Salaries	3	3	Incorrect amount paid Incorrect deductions	Salary administration outsourced to a payroll company. Regular financial checks. Internal/External Audits

9	Direct Costs	3	3	Invoice not calculated correctly Goods not supplied Cheque amount/payee incorrect	Invoice checked against order/supply details and paid only when goods/services have been received/completed. Internal controls adhered to for all payments.
10	Grants/Donations	3	3	Paid without holding the power to do so. Payment not used for what it was applied for	Minuted decision. Ensure either General Power of Competence applies, powers under S137 or other legislation.
11	Reserves	3	3	Reserves too low to cover unexpected expenditure	Budget process, regular reports to Council and Finance Committee
12	Assets	3	3	Loss/damage	Asset register kept up to date and reviewed annually by Council. Adequate insurance in place.
13	Precept	2	3	Precept not submitted Incorrect amount requested	Internal controls Finance Committee oversees process Clerk checks paperwork against agreed budget documentation Clerk ensures paperwork received by BDC
14	Car Park Cash	3	3	Risk to staff emptying and transporting cash Incorrect amount banked	Health and Safety policy and risk assessments adhered to. Reconcile cash to machine printout, check bank statement, internal controls, Internal/External Audits
15	Allotments	3	3	Invoices not despatched correctly or payment received.	Reconcile invoices and payments to allotment register.

16	Banking arrangements	2	3	Loss of monies if compliance with Financial Services Compensation Scheme limits not adhered to and banking institution collapses	Monthly – bank balances checked and accounts kept under current limit.
17	Online banking	1	2	Fraud	Unity Trust Bank procedures adhered to. Only signatories and staff have login and password. Signatories can approve payments and payees. Staff can set up payments and payees only, cannot authorise transactions. All transactions minuted at KPC meetings as per point C(2) and bank statement reconciled each month. Internal and External audit process undertaken.
D	Employment Issues				
1	Staff skills Low morale	2	2	Appraisal system and reviews in place. Training kept up to date. Monitoring of employees' morale	Training for Clerk and appropriate Councillors in HR and key job areas. Appraisal system kept up to date. Clerk and Chair of Personnel Sub-Committee keep up to date with employees' work and any issues.
2	Disputes	2	2	HR Policies in place	Policies to be kept up to date/reviewed regularly. Advice to be obtained as necessary.
3	Health and Safety Issues	2	2	H&S policy in place. Risk Assessments in place.	H&S Policy and risk assessments to be reviewed regularly.

				Clerk and staff trained.	Training for Clerk and staff to be kept up to date.
E	Other				
1	Legislative changes	3	3	Members and Clerk monitor.	All need to be aware. Clerk to keep up to date via outside support sources/training. Advice from EALC/BDC/SLCC/NALC to be sought as required
2	Legal issues	1	2	Councillors and Clerk monitor decisions and other actions.	Clerk to keep up to date with legal changes. Legal advice sought from EALC/SLCC/NALC or from legal professional, as appropriate
3	Use of assets and resources	3	2	Review of assets and current use kept up to date.	To be monitored and action taken as necessary.
4	War, insurrection or riot	1	3	Adequate insurance cover and recovery procedures in place.	Recovery procedure to be kept under review and up to date.