

LITTLE SMEATON PARISH COUNCIL – FINANCIAL & MANAGEMENT RISK ASSESSMENT 2022/23

- Risk assessment is a systematic general examination of the activities of the Parish Council to enable potential risks to be identified.
- The Parish Council, based on the recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks identified.
- This document has been produced to enable Little Smeaton Parish Council to assess the risks inherent to its finances and satisfy itself that it has taken all reasonable steps to minimise them.

AREA	IDENTIFIED RISK	LIKELIHOOD	SEVERITY	RISK LEVEL	CONTROLS	ACTION REQUIRED
Finances	The council has insufficient funds to fulfil its obligations	Unlikely	Minor	Low	<ul style="list-style-type: none"> ● The Clerk submits a draft budget to the council annually in November ● Budget is agreed by the full council and is used to determine the precept requirements for the next financial year ● The council holds contingency funds considered adequate to meet unplanned expenditures. Currently £4,000 	<ul style="list-style-type: none"> ● No Action required ● Existing procedures adequate
	Petty Cash is misused or goes missing	Unlikely	Minor	Low	<ul style="list-style-type: none"> ● The financial regulations place a limit on amount of cash held by Clerk at any time ● Cash is checked by a designated Councillor before each Council meeting, and reported to the full Council ● Records detailing all purchases made are kept and receipts are required 	<ul style="list-style-type: none"> ● No action required ● Existing procedure adequate
	Fraudulent use of debit card	Unlikely	Significant	Medium	<ul style="list-style-type: none"> ● Only the clerk and chair hold a debit card ● All purchases must be approved by the council before a purchase is made ● Bank statements are checked by a designated Councillor before each Council meeting, and reported to the full Council 	<ul style="list-style-type: none"> ● Check if there is, or whether it's possible to establish a limit on individual card transactions ● Check if it's possible to set up notifications when

						the debit card is used
	Fraudulent use of Internet banking	Unlikely	Significant	Medium	<ul style="list-style-type: none"> • Only the clerk and one designated councillor can initiate financial transactions • Every transaction must be approved by two independent councillors in order for it to be processed • Bank statements are checked by a designated Councillor before each Council meeting, and reported to the full Council 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Inappropriate payment of salaries or costs	Unlikely	Moderate	Low	<ul style="list-style-type: none"> • The Council authorises the appointment of all employees. Salary rates are based on the National Joint Council (NJC) for Local Government Services Pay Scales • Approved payment schedule governance • Bi-monthly reconciliation and review prior to council meetings 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Inadequate record keeping and/or transparency	Possible	Minor	Low	<ul style="list-style-type: none"> • The clerk presents the financial records at every council meeting • An independent councillor reports on the bank reconciliation and internal controls checks at every council meeting • Financial records are signed by the Chair • An independent auditor is appointed every year to audit council accounts (internal audit) • The council completes and publishes the Annual Governance and Accountability Return (AGAR) for each financial year • Annual accounts are published on the parish council website 	<ul style="list-style-type: none"> • Review manual process to see if we can reduce opportunities for error. <p>Completed Clerk and Cllr Hancock looked at the manual process of record keeping to see if it could be reduced. Both felt that the checks were robust, and should stay as they are.</p>

	Best value for money is not obtained	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The council has a detailed procedure in place for the awarding of contracts • All financial transactions are discussed and approved at a full council meeting before the transaction is completed* • For transactions exceeding £500 in value the council attempts to obtain three quotes <p><i>* In an emergency or where delay may impact on safety; purchases may be agreed outside of a scheduled meeting. This will be noted by email/WhatsApp and ratified at the next council meeting.</i></p>	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Inadequate provision to cover financial loss	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The council has a Fidelity Guarantee in place to the value of £250,000 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Non-Recovery of VAT	Unlikely	Moderate	Low	<ul style="list-style-type: none"> • No payments are made without an accompanying invoice or receipt • Records are kept which detail the information required to reclaim VAT where appropriate • VAT is reclaimed from HMRC annually and is detailed on the Income & Expenditure sheet 	<ul style="list-style-type: none"> • Check that the AGAR statement confirms VAT has been correctly accounted for
Assets & Public Liability	Inadequate insurance to cover against claims made against the council	Unlikely	Significant	Medium	<ul style="list-style-type: none"> • The council holds insurance designed for small councils which includes public liability cover • Insurance cover is reviewed annually before renewal 	<ul style="list-style-type: none"> • No Action required • Existing procedures adequate
	Incorrect Tracking of council assets	Unlikely	Minor	Low	<ul style="list-style-type: none"> • The council has an asset register which is reviewed and updated at least annually • Where possible, recognised guidelines are used to value assets. 	

					E.g. Local house prices to value council owned property	
	Street Furniture	Unlikely	Minor	Low	<ul style="list-style-type: none"> The council owns several seats, waste bins, dog waste bins and grit bins. These are included on the council's insurance cover The council owns three street lights which are subject to routine inspection by NYCC 	<ul style="list-style-type: none"> Consider introducing annual Inspections of street furniture assets In the process of being established
	Playground and/or equipment falls into a state of disrepair	Unlikely	Moderate	Low	<ul style="list-style-type: none"> The council owns a playground which contains several items of play equipment. Equipment is self-inspected every four months and annually by ROSPA A programme of repairs or replacement is agreed by the council based on these inspections 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Property and land falls into a state of disrepair	Possible	Significant	High	<ul style="list-style-type: none"> The council own a property in the village which is rented out The council has a maintenance programme in place for the property and lands 	<ul style="list-style-type: none"> Annual rent review now in place Due to years of underinvestment the property requires extensive maintenance/renovation works which cannot be completed in a single financial period. The council monitors and reprioritises the work list as required Further investments required to comply with future EPC regulations

	Trees aren't maintained in a safe condition	Possible	Moderate	Medium	<ul style="list-style-type: none"> There are a number of trees on council owned land that require regular safety inspections 	<ul style="list-style-type: none"> Identify correct Inspection period required to minimise risk
General	Adequate Staffing levels	Possible	Minor	Low	<ul style="list-style-type: none"> The council has one employee, the clerk. In the event of the loss of the post holder councillors will cover the duties of the role until a replacement is found Recognised training is available for the post holder to ensure the councils responsibilities are performed correctly 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Insufficient policies to allow correct management of council business	Possible	Minor	Low	<ul style="list-style-type: none"> The council has a range of policies that lay out its duties and responsibilities. Policies are published on the council website and are subject to a review programme 	<ul style="list-style-type: none"> Annual review of policy provision to ensure continuous improvement
	Improper use of legal powers	Unlikely	Minor	Low	<ul style="list-style-type: none"> All activity and payments within the powers of the Council are resolved and minuted at meetings 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Timescales for Agendas / Minutes / Notices / Statutory Documents not adhered to	Unlikely	Minor	Low	<ul style="list-style-type: none"> Agendas and minutes are produced in the prescribed method by the Parish Clerk and adhere to legal requirements Agendas are displayed and minutes are available in accordance with legal requirements Minutes are approved and signed at the following Council meeting 	<ul style="list-style-type: none"> No Action required Existing procedures adequate
	Register of Member Interests not disclosed	Possible	Minor	Low	<ul style="list-style-type: none"> The Register of Members Interest is updated by Councillors when their circumstances change All Registers are published on the Parish Council website 	<ul style="list-style-type: none"> Councillors are responsible for notifying the council of any changes. Establish annual review.
	Conflict of Interest not declared	Unlikely	Minor	Low	<ul style="list-style-type: none"> Members declare pecuniary interests at the meeting when the item "Declarations" is reached and 	<ul style="list-style-type: none"> No Action required. Existing procedures adequate.

					when an item is discussed, and it becomes apparent they have an interest	
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RISK ASSESSMENT MATRIX

Severity 

		Minor	Moderate	Significant
Likely		Medium	High	High
Possible		Low	Medium	High
Unlikely		Low	Low	Medium

Likelihood 