

Burghclere Parish Council

Financial Risk Management

June 2020

Risk Management is one of the key responsibilities for councillors and ensures that the required duties relating to Governance and Accountability are adhered to. Regular reviews of systems, budget setting and insurance arrangements are all constant and recurring, however the council will at least once a year:

- Identify, update and record key risks
- Assess potential consequences of crystallisation of risks
- Made decisions about avoiding, reducing or controlling risks
- Record what actions have taken place in the minutes

Subject	Risk Identified	Management of risk	Review
Costs Expenses Debts VAT	<ul style="list-style-type: none">• Incorrect invoicing• Incorrect payment• Loss of income - unpaid invoices• Charges incurred - unpaid invoices	<ul style="list-style-type: none">• Financial Regulations in place setting out requirements.• Clerk supplies list of invoices due for payment to each council meeting.• Cheques are prepared in accordance with invoices.• Cheques checked and signed by two signatories.• Cheque stubs are initialled by signatories.• Standing Order and BACS payments must be processed in line with the Financial Regulations policy and be included in the list of payments due. Corresponding paperwork identifying the amount and nature of the payment must be provided to councillors.• Clerk to monitor overdue invoices and pursue unpaid income due. Clerk to ensure councillors are aware of any invoices that have been outstanding for payment for more than 2 months.• Clerk to ensure payments due are made promptly to prevent any unnecessary charges being incurred.• On a regular basis, and at least at the end of the financial year, the Clerk should provide a copy of the bank reconciliation and corresponding bank statement to one Councillor who is not a signatory. On verification both documents should be signed and the action noted in the minutes.	<p>Review Risk Management and Financial Regulation procedures annually.</p> <p>Cheque signatories reviewed as & when required.</p>

Banking Cash	<ul style="list-style-type: none"> • Loss of signatories • Bank mistakes • Loss of income • Theft/Dishonesty 	<ul style="list-style-type: none"> • Financial regulations in place setting out banking requirements. • Retiring councillors who are signatories should be removed from Parish Bank accounts within one month of resigning. • There should be a minimum of three bank signatories • Income received in the form of cheques or cash should be banked promptly. • Clerk to reconcile bank account monthly. • VAT claims to be submitted regularly, and at least 6 monthly. • No Petty Cash is kept. • An internal audit is held annually. 	Review Risk Management and Financial Regulation procedures annually.
Salaries Expenses Pensions	<ul style="list-style-type: none"> • Incorrect rate of pay • Incorrect deductions of NI and/or Tax • Failure to make required PAYE and/or NI contributions to HMRC • Failure to comply with statutory pension requirements 	<ul style="list-style-type: none"> • Minimum wage rates as set by the Government are monitored. • NALC/SLCC salary rates are monitored. • Salary rates of Clerk and Litterwarden reviewed annually. • Clerk produces monthly salary analysis slips for inclusion in the schedule of payments due. • Clerk uses Basic Tools programme as provided by HMRC to calculate monthly PAYE & NI payments due. • RTI schedule submitted to HMRC monthly. • An analysis slip showing the monthly PATE & NI payments due to HMRC is produced for inclusion in the list of monthly payments. • Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the Clerk. • Salary payments are made in arrears - Clerk is paid via cheque and Litterwarden via Standing Order payments • Postponed or cancelled meetings could delay the Clerk's salary payment, in these circumstances this payment can be made via BACS payment to minimise the risk. • Expenses incurred by the Clerk or Litterwarden can be reimbursed on production of invoices or receipts. • Statutory pension requirements to be reviewed annually to ensure compliance. 	<p>Review Risk Management procedures, pension requirements and salary rates annually.</p> <p>Minimum wage and NALC/SLCC rates to be reviewed as and when issued.</p>
Employees Volunteers	<ul style="list-style-type: none"> • Loss of Clerk • Fraud • Incompetence – lack of training • Health & Safety • Injuries 	<ul style="list-style-type: none"> • Position of Parish Clerk or Litterwarden should be promoted locally in the first instance. • Adequate recruitment procedures should be followed for all employees, including interview, references and ensuring a contract and role description is in place. • If loss is temporary, for example due to ill health, then a councillor can act as a 	<p>Review Risk Management procedure annually.</p> <p>Training and work practices to be reviewed annually, but</p>

		<p>temporary clerk for the purposes of minuting meetings. Alternatively, a Clerk from a neighbouring parish could be approached, or the option of appointing a locum Clerk could be considered.</p> <ul style="list-style-type: none"> • Clerk to be encouraged to attend relevant training and provided with the necessary reference books and materials to undertake the role. • Clerk able to seek professional advice if required. • Adequate insurance to be in place to cover employees and volunteers. • Litterwarden and volunteers to be given adequate training prior to starting work and working practices should be regularly reviewed. • Tools and protective equipment must be used correctly and any item found to be faulty must be taken out of use immediately. • Litterwarden to only work within designated area and must ensure vehicle is parked safely. High visibility jacket to be worn at all times. • Litterwarden to inform Clerk if supplies or equipment need replacing. 	<p>more frequently should new employees be appointed.</p>
Precept Budget	<ul style="list-style-type: none"> • Adequacy of precept • Non receipt of precept • Budget inadequate or not monitored 	<ul style="list-style-type: none"> • Precept is determined based on budgetary information and set at full council meeting. • Precept is requesting in writing by the Clerk, within the deadline and using correct paperwork. • Precept is paid direct into the parish bank account in two instalments in April and September. • Clerk to investigate any non receipt of precept payments and alert councillors. • Clerk to monitor and report on budget at council meetings, alerting councillors to any areas of concern or significant variations. 	<p>Review Risk Management procedure and financial regulations annually.</p> <p>Budget to be reviewed monthly and Precept request reviewed annually.</p>
Financial Records	<ul style="list-style-type: none"> • Inadequate records • Irregularities 	<ul style="list-style-type: none"> • Financial regulations in place setting out requirements. • Clerk acts as RFO and ensures adequate financial records are kept and provides regular reports to councillors, including immediate notification of any irregularities. • Annual internal audit is undertaken. 	<p>Review Risk Management procedure and financial regulations annually.</p>
Audit	Completed as required and within time limits	<ul style="list-style-type: none"> • Clerk ensures Internal auditor is supplied with relevant documents to undertake audit, together with completed paperwork for external audit. • Transparency Code to be adhered to. 	<p>Review Risk Management procedure and financial regulations annually.</p>

Assets Insurance	<ul style="list-style-type: none"> • Loss • Damage • Injury • Compliance • Inadequate maintenance 	<ul style="list-style-type: none"> • Annual review of assets to be undertaken • Regular inspection of play equipment undertaken and recorded by Borough Council. • Other assets to be inspected regularly and councillors to be informed of any maintenance requirements. • Insurance to be reviewed annually and amended as required. 	Review Risk Management procedure, asset register and insurance annually.
Minutes Agendas Notices Statutory Documents	<ul style="list-style-type: none"> • Legality & Accuracy • Business Conduct 	<ul style="list-style-type: none"> • Minutes are approved and signed at the following council meeting. • Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. • Minutes and agenda are publicly displayed in accordance with legal requirements. • Other statutory documents, including Standing Orders, Financial Regulations and Code of Conduct, are made publicly available in accordance with legal requirements. • Business conducted at council meetings should be managed by the Chair. 	Review Risk Management procedure and Statutory Documents annually.
Councillors Members Interests	<ul style="list-style-type: none"> • Losing membership • Becoming inquorate • Conflict of interest • Incompetence 	<ul style="list-style-type: none"> • Legal processes to be adhered to when vacancies arise – either through by-election or co-option. • Should more than 5 vacancies occur at any one time the council will become inquorate and the Borough Council to be informed for advice and intervention as necessary. • Declaration of interest forms are completed by all new councillors. Forms to be regularly reviewed and updated as necessary. • Councillors are reminded of their duty to declare interests at every council meeting. • New Councillors provided with a copy of “The Good Councillor’s Guide” and encouraged to attend appropriate training. • Councillors to seek professional advice as required. • Borough Council’s Monitoring Officer to be informed of changes in Councillors and sent copies of Declaration of Interest Forms. 	Review Risk Management procedure and Declaration of Interest Forms annually.
Council records – electronic and paper	Loss through theft, fire, damage or corruption of computer.	<ul style="list-style-type: none"> • The storing of Electronic and paper records held by the Clerk or Councillors to be stored securely in compliance with GDPR requirements. • Electronic records are stored on the Parish computer held by the Clerk, this must be password protected. 	Risk Management procedure to be reviewed annually.

		<ul style="list-style-type: none"> • Back-up files must be taken regularly and stored on a separate drive, as well as being stored remotely using a “cloud” based method. • Anti virus software to be installed on Parish Computer 	
Legal powers Accountability	<ul style="list-style-type: none"> • Illegal activity • Work awarded incorrectly • Overspend on services 	<ul style="list-style-type: none"> • All activities and payments within the parish council’s power are resolved and minuted at full council meetings. All details required by the Transparency Code to be published. • Normal practice is to seek more than one quotation for any substantial work to be undertaken, unless specialised services are required. • Quotations to be reviewed by council prior to the awarding of any orders or contracts. • Clerk or Councillors to seek professional advice if required. 	Risk Management procedure to be reviewed annually.;
Business continuity	Council not being able to continue business due to unexpected circumstances, such as tragic event or national emergency	<ul style="list-style-type: none"> • Burghclere Parish Council Community Emergency Plan in place. • If appropriate - Extra-ordinary meeting to be called to discuss response. • If appropriate - Advice and guidelines provided by Government and Borough & District Councils to be followed, as well as other advisory bodies including NALC and HALC. 	Risk Management procedure and Community Emergency Plan to be reviewed annually.
Statutory Documents – including Standing Orders, Financial Regulations, Code of Conduct and Risk Management	<ul style="list-style-type: none"> • Overdue for review • Not in place • Not published in compliance with Transparency Code • Not adhered to. 	<ul style="list-style-type: none"> • Documents to be reviewed annually in April. Amendments to be agreed by council. • Up to date documents to be uploaded to the Parish website for ease of public access. • Clerk to ensure all Councillors have up to date copies of all statutory documents. 	Risk Management Procedure and Statutory Documents to be reviewed annually.

Approved during meeting held on: