



# BRENCHLEY AND MATFIELD PARISH COUNCIL RISK ASSESSMENT



Activity/Area: Finance and Governance

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<b>Subject</b>	<b>Possible Risks Identified</b>	<b>H/M/L</b>	<b>Management/Control of Risk</b>
<b>Precept</b>	Adequacy of Precept: current year	<b>M</b>	Finance Committee comprising councilors with experience and financial acumen meets regularly throughout the year and reports to the full Council. The Finance Committee receives regular reports of income and expenditure on a "live" basis allowing reconciliation against budget and consideration of current run rate. Substantial contingency incorporated into budget and significant reserves maintained for unforeseen items.
<b>Precept</b>	Adequacy of Precept: following year	<b>M</b>	Record keeping software allows budget for following year to be easily compared with current year and for additional items to be highlighted. Costings based on historical evidence or contractual / quoted figures where possible.
<b>Precept</b>	Submission of requirement	<b>L</b>	Draft precept requirement prepared for consideration initially by Finance Committee during November before submission to December full Council meeting. Final decision taken during full Council meeting in January. Procedure allows time for review and amendment prior to submission deadline in mid/late January.
<b>Financial record keeping and controls</b>	Inadequate records and Financial irregularities	<b>L/M</b>	The Parish Council has approved Financial Regulations, which set out the requirements. The Council uses a computerised finance package which automatically backs up its records, these are kept on the cloud. Financial Regulations are reviewed annually. Records are tested biannually by an internal auditor from KALC.
<b>Bank and Banking Payments and Reconciliation</b>	Inadequate checks Incorrect/erroneous payments Fraudulent payments Bank errors	<b>M</b>	The Parish Council Financial Regulations set out the requirements for banking, cheques etc. The Council has a legal obligation to have two nominated Councillors as authorised signatories on its cheque payments and currently all Councillors are on the mandate. A review is



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	Loss Bank Charges		<p>carried out of bank signatories after elections and following any resignations or appointment of councillors.</p> <p>Accounts payable are produced for council meetings. Invoices are available for scrutiny prior to authorisation of the payments. Two councillors must authorise payments being made. Bank reconciliations are carried out monthly. Cashbook Reports are produced and submitted to the Finance Committee.</p>
<b>Internal and External Auditing</b>	Information Communication Compliance	L/M	The Parish Council has a legal requirement to keep accurate and clear financial accounts. The Council employs an internal auditor from KALC to carry out half yearly audit checks. The Councils accounts are audited annually by an external auditor.
<b>VAT</b>	Reclaiming / charging	<b>L</b>	The Parish Council financial regulations set out the requirements, the accounts software provides an automatic record which can be submitted for the VAT refund annually or more often if required.
<b>Freedom of Information Act</b>	Policy Provision	L/M	Substantial requests may require many hours of additional work. This will be addressed if and when necessary, with third party assistance potentially being necessary. The Council is able to request a fee should costs be incurred.
<b>Data protection GDPR</b>	Policy Provision	M/L	The Parish Council is registered under the Data Protection Act. GDPR Legislation is now in force to which the Council must adhere, all Councillors have received guidance on using and storage of personal information. A Data Protection Officer has been appointed by the Parish Council and policies and notices have been introduced. Training and legal advice is available from the DPO.
<b>Assets</b>	Loss or Damage Risk/damage to third party property Depreciation Insurance	L/M	The Parish Council has completed a review of its asset register, which will be updated as and when assets are acquired and otherwise reviewed annually. The whereabouts of Deeds and licences are listed. Limited items of equipment and machinery are owned by the Council and those which are business critical can easily and quickly be replaced if necessary. Data is held on a cloud so impact of damage / loss / theft



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			of computer equipment will have limited impact. Replacement of obsolete assets is considered as part of annual budgeting. Insurance values are used to determine Property/item values and insurance maintained based on these valuations.
<b>Insurance</b>	Adequacy of cover Insurer Cost	L/M	Comprehensive insurance is in place covering all standard risks including public and councilors liability cover. Full review of insurance requirements considered as and when policy is renewed or when changes to the asset list are made, with input from third party broker. Market testing and consideration of identity of insurer to be done by Finance Committee as and when policy is renewed.
<b>Minutes Agendas Notices Statutory Documents</b>	Accuracy and legality Business conduct	L	Minutes and Agendas are produced in the prescribed method by the Clerk and adhere to the legal requirements. Minutes are approved and signed in the correct meeting cycle. Agendas and minutes are displayed as per the legal requirements.
<b>Litigation</b>	Potential risk of legal action being taken against the Council	M	General procedures and controls designed to reduce the risk of litigation. Public liability insurance covers general personal injury claims where the Parish Council is found to be at fault (subject to standard carve outs for spurious or frivolous claims which cannot be insured against). Procedures for insurance renewal are set out above.
<b>Income Collection</b>	Ensuring collection of any income to which the Council is entitled (for example from use of Council property)	M/L	Clerk produces relevant agreements using standard terms and conditions or as required after Committee agreement. Charges are invoiced at the appropriate time by Council Officers following the correct Audit trail. Income received is reported via the cost centre cashbook reports.
<b>Council paper records Electronic records and programmes</b>	Loss through Theft/ Fire/ Damage/ Computer corruption or hacking	M/L	All Computer systems have virus protections and operating systems are regularly updated to ensure coverage by Microsoft anti-virus software. All data is held on a cloud with the server located in the UK. "Paper only" records to be kept to a minimum.
<b>Members interests</b>	Conflict of interest Register of Members interests	L	Member's take responsibility to check and update their Register entries to ensure compliance. The Clerk requests confirmation that no details



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	not being updated		have changed annually and informs the Monitoring Officer.
<b>Payroll</b>			
Wrong payable salary calculated	Incorrect payment made	L	Spread sheet set up to auto calculate. Salary sheet produced by clerk and checked by RFO
		L	Salary set up using information in contract, KALC pay increase schedules and increases agreed at appraisal
Wrong tax and NI calculated	Incorrect payment made to HMRC	L	Using HMRC payment tool to calculate. Printout from HMRC tool checked by Councillors responsible for authorising payments.
Wrong Pension calculation	Incorrect Pension contribution paid	L	Using SMART pension calculation tool Printout from Smart Pension checked by Councillors responsible for authorising payments
Error in Spreadsheet calculating salary payment	Incorrect Pension contribution paid	L	Spread sheet formula verified.
Sick Pay calculated incorrectly	Incorrect payment made	L	Payments checked against contracts to insure correct payment calculated
Insufficient funds to cover additional salaries due to sickness	Impact on reserves	L	Sick pay payments capped in employee contracts.
		L	Insurance policy includes cover for employment of locums if required.