**LAMESLEY PARISH COUNCIL – Financial Risk Assessment.**

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| **FINANCIAL AND MANAGEMENT** |

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| Financial Records | Inadequate records Financial irregularities | The Parish Council has Financial Regulations which set out the requirements | L | Existing procedure adequate.  Review of Financial Regulations Annually |
| Bank and Banking | Inadequate checks Bank mistakes Loss Charges Loss of signatories | The Parish Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.  The signing of all cheques must have 2 signatories, primarily Anita Lawrence then any one of the other listed.    The Parish Clerk reconciles the bank accounts once a month when the statement arrives, any problems/irregularities are dealt with immediately by informing the bank and awaiting their correction. Monitor the bank statements monthly.    Council would choose replacements, but the Bank takes time to implement changes, this mostly happens after an AGM/election.    As is required by Standing Orders: the clerk will access internet banking sites directly and not via a search engine.  A sealed dated envelope is held by the Chairman containing the password and PIN. This may only be opened in the presence of 2 other Councillors and then reported to full Parish Council. Any transactions to be carried out electronically must be agreed by Full Council in advance | L  L  L  L | Existing procedure adequate.  Signatories:  Anita Lawrence (primary)  Jackie Callaghan  Robert Harrison  Andrew Batten |
| Cash/Loss | Loss through theft or dishonesty | The Parish Council has Financial Regulations which set out the requirements.  Cash/cheques received are banked within 14 banking days. There is petty cash of £150 held by the Clerk and used for instant purchases EG: stationary.  This is audited by the Internal Auditor annually. Currently GMBC. | L  L | Existing procedure adequate. |
| Reporting and Auditing | Information communication Compliance | A Clerk’s report is produced monthly and presented to the Parish Council, discussed and approved at the meeting.  This report includes, bank reconciliation and a breakdown of receipts and payments balanced against the bank. | L  M | Existing procedure adequate. |
| Grants and support payable | Power to pay Authorisation of Council to pay | All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure.  A grant application form will be devised, and a link added to the website to keep up to date records of applications. | L | Existing procedure adequate.  Parish Councillors request S137 rules if required. (LG ACT 1972)  **Power of local authorities to incur expenditure for certain purposes not otherwise authorised.** |
| Grants receivable  Best value Accountability | Receipts of Grant  Work awarded incorrectly Overspend on service | The Parish Council does not presently receive any regular grants. One off grant would come with terms and/or conditions to be satisfied.  Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought.  If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council. This is covered in the Financial Regulations. | L  L  M | Procedure would need to be formed, if required  Existing procedure adequate.  Include when reviewing Financial Regulations Annually. |
| Salaries and associated costs | Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue | The Parish Council authorises the appointment of all employees through all council meetings. Salary rates are assessed annually by Council.  The Clerk’s report details payments to the Inland Revenue (for Tax and NI). These are inspected at the Council meetings and signed off.  The Tax and NI is worked out using an Inland Revenue computer programme updated annually. All Tax and NI payments are submitted in the Inland Revenue Annual Return.  The Clerk has a contract of employment and job description. Salaries are paid monthly via standing order on the 15th of every month. | L  L  L  L | Existing appointment system adequate.  A Confidential session, at a nominated PC meeting, needs to be held to carry out an annual review. |
| VAT | Re-claiming/charging | The Council has Financial Regulations which set out the requirements. VAT is not claimed due to the annual turnover being below £85K, and that the Parish does not have any taxable supplies. The Parish is not currently VAT registered 2020. | L | Existing procedure adequate. |
| Insurance | Adequacy Cost Compliance  Fidelity Guarantee | 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.  Currently Zurick Municipal Insurance annual payment £681.85. | L  L | Existing procedure adequate.  Review insurance provision annually.  Review of compliance |
| Assets | Loss or Damage Risk/damage to third party(ies)/property | An annual review if assets is undertaken for insurance provision, storage and maintenance provision. | L | Asset register to be updated annually.  Existing procedure adequate |
| Precept | Adequacy of precept Requirements not submitted to Gateshead MBC (GMBC) in time Amount not received by GMBC. | Regular budget review by Full Council Precept should be considered by Council before the deadline – Agreed precept for 2020 is 3.5% increase. Received confirmation January 2020.    The Clerk informs Council when the monies are received (approx April/May). | L  L | Existing procedure adequate. |
| Litigation | Potential risk of legal action being taken against the Council | Public liability insurance covers general personal injury claims where the Parish Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against. | M | Insurance is adequate for requirements but there is still risk of other claims |
| LPC run Activities | Risk of financial loss | Activities such as Jubilee celebrations, Banner parades will be part financed by donations prior to events thus reducing the risk of financial loss to LPC.  If finance is not secured in advance there may be some financial risk which would need to be covered by the council’s reserves. | L | Existing procedure adequate.  Each activity needs to be assessed on an individual basis. |
| Employers Annual return | Paying and accounting for NI and Tax of employees salaries | Employer’s Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the Clerk. | L | Existing procedure adequate. |
| Audit - Internal | Audit Completion within time limits | Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the form to complete and sign for the External Auditor. | L | Existing procedure adequate. |
| Annual Return | Completion/Submission within time limits | Annual Return is completed and signed by the Council, submitted to the internal auditor (GMBC) for completion and signing then checked and sent on to the External Auditor (MAZARS) within time limit. | L | Existing procedure adequate. |
| Legal Powers | Illegal activity or payments | All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used. As per the Financial Regulations prescribe. | L | Existing procedure adequate. |
| Minutes/Agendas/Notices Statutory Documents | Accuracy and legality Business conduct | 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. | L  L | Existing procedure adequate.  Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct |
| Council records – Electronic - The Parish | Loss through: Theft, fire, damage corruption of computer | Council’s electronic records are stored on the Clerks computer.  Back-ups of the files are taken at regular intervals and a copy given to the Chairman. | L  M | Existing procedure adequate |
| Councillors | Losing Councillor membership or having more than 7 vacancies at any one time | 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. If there are more than 7 vacancies at any one time on the Council, it becomes inquorate. | L  L | Existing procedure adequate. |
| Councillor allowances | Councillors over-paid Income tax deduction | No allowances are allocated to Parish Councillors. | Negative | No procedure required. |
| Election costs | Risk of an election cos | Risk is higher in an election year. When a scheduled election is due the Clerk will obtain an estimate of costs from the GMBC. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. | M | Council should consider saving each year to cover all costs |
| Members Interests | Conflict of interest Register of Members interests | Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda.  Register of Members Interest forms should be reviewed regularly by Councillors. | L  M | Existing procedure adequate.  Members take responsibility to update their Register |
| Maintenance | Poor performance of assets or amenities Risk to third parties | 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 | L  L  L | Existing procedure adequate |
| Meeting Location | Adequacy Health & Safety | The Parish Council Meetings are held at Kibblesworth Millennium Centre. Annual fee is paid for the room hire.  The premises and the facilities are adequate for the Clerk, Councillors and Public who attend from Health & Safety, Disability Discrimination and comfort aspects | L  M | Existing procedure adequate |
| Employees | Loss of Clerk  Fraud by Clerk    Actions undertaken by clerk. Health and Safety | Reference to a Continuity Plan should be made in case of loss of key personnel. The requirements of the insurance to be adhered to with regards to Fraud.  The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Health & Safety issues relating to the Clerk are with regard to working at home and driving to/from Council meetings. | L  L | Membership of the CDALC.  Monitor working conditions, safety requirements and insurance regularly. |

Ratified at meeting held on: Monday 10th February 2020

Signed and agreed by: All Parish Councillors