

Risks & Controls

Subject	Risk(s) Identified	P	I	Management of Risk	Review/Revise/Assess	Assessment Comments
Precept	<ul style="list-style-type: none">▪ Adequacy of precept▪ Not submitted▪ Not paid by District Council	L	H	<ul style="list-style-type: none">▪ The Parish Council regularly receives budget update information, and projects income & expenditure for the following year, the net total of which is resolved to be the precept amount.▪ This figure is submitted by the Clerk following agreement of the precept at full council.▪ The Clerk informs Council when the monies are received.	Reviewed by FGC annually	After FGC review then reviewed by PC
Grants – Receivable	<ul style="list-style-type: none">▪ Claims procedure▪ Receipt of grant when due	n/a	n/a	<ul style="list-style-type: none">▪ Clerk checks grants available for projects considered, as and when required.▪ Checked and reported to Parish Council	Reviewed by FGC	Approved by PC and

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Bank and banking	<ul style="list-style-type: none"> ▪ Inadequate checks ▪ Bank mistakes ▪ Loss ▪ Charges ▪ Internet Banking ▪ Credit Card ▪ Bank Signatories 	M	L	<ul style="list-style-type: none"> ▪ The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. ▪ Cheques require two signatures. ▪ Electronic payments require two signatories in total and all but very urgent payments are pre-authorised ▪ The banks accounts are reconciled monthly by the Clerk and any errors made by the bank would be picked up. Cash flow is monitored by the Clerk monthly when completing the reconciliations. Funds are transferred from the current account to the savings account and <i>vice versa</i> as appropriate. ▪ Credit card funded with an authorised payment to card for authorised expenditure. ▪ Change in Parish Councillors and mandate not changed 	<p>Financial Regulations reviewed annually by FGC.</p> <p>Bank signatory list reviewed annually and after an election by FGC</p> <p>Bank statements checked monthly by Council.</p> <p>Checks and balances within reconciliation</p> <p>Bank Mandate to be reviewed every May</p>	<p>Approved by Clerk/RFO</p> <p>Approved by PC</p> <p>To be reviewed by internal audit</p> <p>Approved by PC</p> <p>To be reviewed by Clerk every May</p>

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Salaries and assoc. costs	<ul style="list-style-type: none"> ▪ Wrong salary paid ▪ Wrong hours paid ▪ Wrong deductions of NI or Tax ▪ Unpaid Tax & NI contributions to the Inland Revenue 	L	L	<ul style="list-style-type: none"> ▪ The Parish Council authorises the appointment of all employees. Salary rates are assessed annually and applied from 1st April each year. ▪ Overtime by the Clerk is authorised by the Chairman ▪ Salary slips are produced by the OUTSOURCED provider (Sussex HR) together with a schedule of payments to the Inland Revenue (for Tax and NI). ▪ The Tax and NI is worked out using the HMRC's Basic PAYE RTI PAYE ▪ and payment data is submitted monthly to HMRC once the payroll has been run. ▪ All Tax and NI payments are submitted to the Inland Revenue quarterly when payroll is run. ▪ The Clerk has a contract of employment and job description. 	<p>Payroll Outsourced to Sussex HR</p> <p>To be reconfirmed at the Statutory meeting each year</p>	The Independent Auditor pays particular attention to payroll transactions and checks that any variations in pay have been approved by the Chair of the PC
Employer's Annual Return	<ul style="list-style-type: none"> ▪ Submit within time limits 	L	L	<ul style="list-style-type: none"> ▪ The Clerk completes the Employer's Annual Return online and submits to the Inland Revenue as soon as the final payroll of the year has been run. . 	Reviewed by FGC.	Reviewed by Internal Audit

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Direct Costs / Overhead Expenses	<ul style="list-style-type: none"> ▪ Goods not supplied ▪ Invoice incorrectly calculated ▪ Cheque payable is excessive ▪ Cheque payable to wrong party 	L L L	L M M	<ul style="list-style-type: none"> ▪ Clerk operated a purchase order system for one-off purchases. ▪ The Clerk approves all invoices for payment. ▪ The Clerk checks arithmetic and sets up the payment be it by cheque or by online banking. Councillors check invoices and initial them before signing cheques and initialling cheque stubs ▪ Online payments are set up by Clerk on the Alpha online finance system supplied by Rialtus. (Check, Purchase Order, Invoice process to payment) ▪ Three persons (signatories) are required to process and authorise each payment. ... 	Finance System Alpha All payments approved by PC	<p>Minuted at monthly meeting by Clerk</p> <p>To be reviewed at Annual Audit</p>
Cllrs Expenses	<ul style="list-style-type: none"> ▪ Cllr overpaid 	L	L	<ul style="list-style-type: none"> ▪ Claim approved by Council, or in some cases by the TGR committee, in advance ▪ Claim form checked and verified by Clerk before being passed to the Clerk for payment 	Forms part of the Direct Costs Risk and Controls	

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Election Costs	<ul style="list-style-type: none"> Risk of cost from an election 	L	M	<ul style="list-style-type: none"> When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. Clerk check and verify, and consider budget. A reserve is maintained to cover any unpredictable costs 	<p>Reviewed by FGC</p> <p>Requires a reserve at Budget time</p>	To be reviewed by FGC and submitted to PC for approval
VAT	<ul style="list-style-type: none"> VAT Statutory Regulations VAT analysis Claimed within time 	L	M	<ul style="list-style-type: none"> VAT Calculations checked to Statutory Regulations All items are listed in the cash book alpha system and verified by the Clerk Returns are verified and submitted quarterly by the Clerk. 	Existing procedure adequate and reviewed by FGC.	To be reviewed by Internal Audit
Best value accountability	<ul style="list-style-type: none"> Work awarded incorrectly Overspend on services 	L	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. Normal Parish Council practice is to seek three quotations for any substantial work required to be undertaken or goods. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation, research the problem and report to Council. 	Existing procedure adequate and reviewed by FGC .	To be reviewed by Internal Audit

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Reporting and auditing	<ul style="list-style-type: none"> Information Communication Compliance of Financial Statements 	L	L	<ul style="list-style-type: none"> A monitoring statement is produced regularly at each Council meeting which is distributed, discussed and approved. Finance committee member audit half yearly and full internal audit annually, with a six-month review meeting in the interim period. 	<p>Existing communication procedures under review with FGC.</p> <p>Clerk keeps up to date with regulations</p>	Annual Internal audit is reported to the full Council.
Reserves: General & Earmarked	<ul style="list-style-type: none"> Adequacy 	L	L	<ul style="list-style-type: none"> Considered at budget setting and with year-end accounts. General reserves maintained at approximately 50% of precept in line with PC Reserves Policy 	Existing procedure adequate and reviewed by FGC.	To be reviewed annually by PC.
Assets	<ul style="list-style-type: none"> Loss, damage etc. Risk or damage to third party property or individuals 	M L	M M	<ul style="list-style-type: none"> Every fixed asset is identified Asset register and insurance updated annually. Periodic inspections carried out. Annual review of Public Liability Insurance. 	<p>Clerk maintains the Fixed Assets register and one is in place</p> <p>TGR&H to undertake prior to insurance review of all as Assets</p>	TGR&H to report back to PC with changes and amendments
Insurance	<ul style="list-style-type: none"> Adequacy Cost Compliance 	L	L	<ul style="list-style-type: none"> An annual review, to ensure the cover is adequate but not excessive is undertaken (before policy renewal) of all insurance arrangements. Clerk to arrange any quotes - A three year agreement has been entered into to keep costs as low as possible. Employers and Public Liability Insurance is a necessity. Ensure compliance measures are in place. 	Reviewed by FGC to ensure correct cover	To be reviewed by Internal Audit

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Maintenance	Poor performance of assets or amenities	L	M	<ul style="list-style-type: none"> A minimum of quarterly maintenance inspections are made by members of the TGR Committee of notice boards toilets, pavilion, bus shelter and the Memorial pavilion. 	Existing procedures are adequate and resulting identified work undertaken.	TGR to report back to PC monthly
Employees	<ul style="list-style-type: none"> Absence/sickness/loss of key personnel Fraud by staff 	M L	H L	<ul style="list-style-type: none"> As good practice, the Council should ensure Employee Guidelines are followed/reviewed. The Clerk should have opportunity for training, reference materials, and access to assistance and legal advice required to undertake the role. Insurance includes cover to provide temporary replacement of key personnel 	Existing procedures adequate. Maintain membership of SSLC/SALC Provide relevant training. Monitor working conditions and safety requirements regularly.	To be reviewed by Chairman and FGC
Borrowing / Lending	<ul style="list-style-type: none"> Adequacy of finances to be able to repay loans 	n/a	n/a	<ul style="list-style-type: none"> Financial review and cash flow forecasting monthly. 	Earmarked reserves for repayment	ERM reserves reviewed by FCG
Legal Powers	<ul style="list-style-type: none"> Illegal activity or payments 	L	L	<ul style="list-style-type: none"> 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. 	Minuted.	
Financial Records	<ul style="list-style-type: none"> Inadequate records Financial irregularities 	L	M	<ul style="list-style-type: none"> The Council has Financial Regulations which set out all financial requirements. The Clerk / RFO update records weekly, or as appropriate. Annual internal audit and half yearly Finance Committee audits. 	Review Financial Regulations annually.	Clerk/RFO to update regulations and put before the Council each year

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Minutes / Agendas / Notices Statutory Documents	<ul style="list-style-type: none"> ▪ Accuracy and legality ▪ Business conduct 	L	L	<ul style="list-style-type: none"> ▪ Minutes and agenda are produced by the Clerk and adhere to the legal requirements. ▪ Minutes are approved and signed at the next Council meeting. ▪ Minutes and agenda are displayed according to the legal requirements. ▪ Business conducted at Council meetings and managed by the Chair. ▪ Delivery of Minutes not in good time 	Minutes reviewed and signed off as a correct record	Minutes Published within 10 days of HKPC meeting via email and web site
Members Interests	<ul style="list-style-type: none"> ▪ Conflict of interest ▪ Register of Members interests not being up-to-date 	L	L	<ul style="list-style-type: none"> ▪ The declaring of interests by members at a meeting should become a regular and obvious process. ▪ Register of Members Interest forms should be reviewed regularly. 	Declaration of interests included on meeting agendas. Members take responsibility to check and update their Register and undertake training.	Minutes Published
Freedom of Information Act	Policy Provision	L	L	<ul style="list-style-type: none"> ▪ The Council has a model publication scheme in place. . ▪ The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours but the applicant also has the right to resubmit the request broken down into sections. 	Monitor and report any requests made under the Freedom of Information Act - ongoing.	Chairman and then PC review as 15 hours = 6.25 man days and impacts considerably on PC budget / Clerk hours.

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Council records - paper	Loss through theft/fire/damage	M	H	<ul style="list-style-type: none"> The Parish Council records are stored in the Parish Council Office. Records include historical correspondence, minute books and copies, deeds and leases, records such as personnel, insurance, salaries etc. Recent materials are stored in locked metal filing cabinets. Historic records are archived at County archive. 	Most recent materials are also kept electronically.	Further work needs to be carried out to reduce the risk of loss of archived records
Council records - electronic	Loss through theft / fire / damage / computer corruption	M	H	<ul style="list-style-type: none"> The Parish Council's electronic records are stored on the PC's computer. Back-ups of changes to the files are taken automatically each workday with a full back-up at monthly intervals. 	Back-ups to be kept off site where possible – Existing procedures to be reviewed	Reviewed by Chairman / Clerk / RFO
Risk Management	Council members who must make the decisions do not have information to successfully make their decision	H	H	<ul style="list-style-type: none"> Minutes of the meeting formalising the reason for the decisions made are systematically prepared 	Prepared in minutes and list decisions	Documented in minutes
Communication	There is no consistency between Parish Council and external communications	H	H	<ul style="list-style-type: none"> The Clerk must ensure consistency between internal and external communication 	Documentation available on web site, Parish Board and in the Parish Office By Subscribing to the Blog on the Horsted Keynes Parish Council web site	

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Parish Council Documents and Policies	Not updated regularly and incorrect information held	L	L	<ul style="list-style-type: none"> Documents reviewed by FGC 	Any changed to be applied and to be approved by PC	<p>FGC to review and change when required annually and pass to PC approval.</p> <p>Publish on Web Site and FGC to check correct changes applied on Web site document</p> <p>To be reviewed Annually by Internal Audit</p>
PC HK Email Access	No Clerk to open HK PC emails	H	H	<ul style="list-style-type: none"> Copy of User Name and Password to be saved in the PC Office 	To be reviewed by the Chair in May of every year	To be reviewed by Internal Audit Annually
Wi Fi Password	Managed by Parish Clerk	H	H	<ul style="list-style-type: none"> Password only passed to Councillors 	No public access	FGC to review annually
Data	Implements GDPR standards across all general data processing	M	M	<ul style="list-style-type: none"> Clerk to ensure safeguarding situations are maintained 	To be reviewed by FGC	
Web Site	PC operations do not comply with the standards and regulations	L	L	<ul style="list-style-type: none"> Web site maintained by Parish Clerk and Compliant with Regulations and Accessibility Statement 	Reviewed by Parish Councillors	To be reviewed by FGC and internal audit annually

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Glossary

P – Priority

I – Impact

PC - Parish Council

TGR and H – Toilets, Greens and Recreation Ground Committee

FG C– Finance and Governance Committee

NI – National Insurance

HMRC – Her Majesty Revenue and Customs

RTI – Real Time Information

GDPR – General Data Processing Regulations

NALC – National Association of Local Councils

RFO – Responsible Financial Officer