

Financial and management				
Subject	Risks Identified	Risk level H/M/L	Management control of risks	Annotations & Notes
Councillors <sup>1</sup>	Losing Councillor membership or having more than 4 vacancies at any one time	L  L	When a vacancy arises there is a legal process to follow. This either leads to a by-election or into a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advertisement, acceptance of applications, consideration of applicants and co-option vote at a Council meeting, then appointment. If there are more than 4 vacancies at any one time on the Council it becomes inquorate. The legal process of Cornwall Council appointing members takes place.	Existing procedures adequate.  Procedures of another body are adequate
Precept	Adequacy of precept Requirements not submitted to Cornwall Council in time Amount not received from Cornwall Council.	L L L	Regular budget review by parish council (quarterly) Precept should be considered by Council before the deadline - deadline should be confirmed from Cornwall Council by September each year. Adequate financial reserves available on demand set aside.  The Clerk informs Council when the monies are received (approx April/May and September time). The Council has Financial Regulations which set out the requirements	Existing procedure adequate
Financial records	Inadequate records Financial irregularities	L L		Existing procedure adequate. Periodic review of Financial Regulations
Bank and banking	Inadequate checks Bank mistakes Loss Charges Loss of signatories	L L L L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.  The Clerk reconciles the bank accounts monthly when the statement arrives, any problems/irregularities are dealt with immediately by informing the bank and awaiting their correction. Bank statements monitored 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.	Existing procedures adequate.
Internet banking <sup>2</sup>			A sealed dated envelope is held by the Chair containing the password and PIN. This may only be opened in the presence of 2 other Councillors and then reported to the public meeting. Any transactions to be carried out electronically must be agreed at the public meeting beforehand.	
Cash / Loss	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate.

<sup>1</sup> Loss may be to the reputation of the council and complaints against the Clerk for misconduct in administering the council's responsibilities.

<sup>2</sup> Online payments authorised in exactly the same way as cheque payments (schedule published, resolved at the public meeting, then authorised online by two signatories)

				Cash/cheques received are banked within 3 banking days. There is no petty cash or float. This is audited by the Internal Auditor annually.	
Litigation	Potential risk of legal action being taken against the Council	M		At each public meeting, a councillor <sup>3</sup> volunteers to select a sample of transactions and track them from invoice to payment to bank statement. Public liability insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against.	Insurance is adequate for requirements but there is still risk of other claims.
Reporting and auditing	Information communication Compliance	L M		A Clerk's report is produced monthly and presented to Council, discussed and approved at the meeting. This report includes, bank reconciliation and a schedule of receipts and payments balanced against the bank.	Existing procedure adequate.
Parish council run activities & projects	Risk of financial loss	L		Briefing paper produced with recommendations for budget. Activities and spending monitored at public meeting. If finance is not secured in advance there may be some financial risk which would need to be covered by the council's reserves.	Existing procedure adequate. Each activity needs to be assessed on an individual basis.
Grants and Donations	Power to pay Authorisation of Council to pay	L		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. Grant application form has been designed to keep up to date records of applications (and compliant with GDPR). Terms & Conditions reviewed regularly. Summary of grants presented at the Annual parish Meeting.	Existing procedure adequate. Parish Councillors request S137 rules if required.
	Safeguarding	L		The parish council does not own a meeting place, but includes a safeguarding statement in its grant terms and conditions to set out its requirements for funding recipients.	Standalone Safeguarding Policy in preparation.
Grants - receivable	Receipts of Grant	L		The Parish Council receives an annual contribution from Cornwall Council to pay for footpath maintenance. Clerk liaises with contractor to ensure that terms and conditions are satisfied.	Procedure complies with Standing Orders and Financial Regulations
Best value Accountability	Work awarded incorrectly Overspend on services	L M		Normal Parish Council practice is to seek three quotations for any substantial work required to be undertaken or goods supplied. 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.	Existing procedure adequate. Include when reviewing Financial Regulations Annually.

<sup>3</sup> Ensures that councillors are reminded of their responsibilities and take an active role in monitoring Clerk's work.

Salaries and assoc. 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	L L L L	The Parish Council authorises the appointment of all employees through the public meeting. 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 public meeting and signed off. The processing of pay is outsourced. 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 in arrears, but if a meeting is cancelled or moved then payments could be late or missed.	Existing appointment system adequate. A closed session, at a nominated PC meeting, needs to be held to carry out an annual review.
Employees	Loss of Clerk	L	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.	Existing procedure Membership of the SLCC.
	Fraud by Clerk	L	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Random checks of financial transactions carried out by councillors at public meetings.	Monitor working conditions, safety requirements and insurance regularly.
	Actions undertaken by clerk. Health and Safety	L	Health & Safety issues relating to the clerk are with regard to working at home and driving to/from Council meetings. The clerk's own car insurance covers travel to and from a place of work.	
Councillor allowances	Councillors over-paid Income tax deduction	Negative	No allowances are allocated to Parish Councillors.	No procedure required.
Election costs	Risk of an election cost	H	Risk is higher in an election year. When a scheduled election is due the Clerk will obtain an estimate of costs from Cornwall Council. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process.	Council should consider saving each year to cover all costs or allocating reserves.
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements. VAT is claimed annually.	Existing procedure adequate
Employers Annual Return	Paying and accounting for NI and Tax of employees salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue by the payroll contractor.	Existing procedure adequate
Audit - Internal	Audit Completion within time limits	L	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the Annual Governance & Accountability Return to complete and sign for the External Auditor.  Internal auditor reports are sent to both Chair and Clerk <sup>4</sup> .	Existing procedure adequate
Annual Return	Completion/Submission within time limits	L	AGAR is completed by the Clerk, submitted to the internal auditor for completion where indicated, then approved and signed off at the public meeting before being sent on to the External Auditor within time limit.	Existing procedure adequate
Legal powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at the public meeting. As per the Financial Regulations prescribe.	Existing procedure adequate.

<sup>4</sup> Eliminates the opportunity for the Clerk to conceal observations or advice from the internal auditor.

Minutes/ Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	L L	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 public meeting. Minutes and agenda are displayed according to the legal requirements. Business conducted at Council meetings should be managed by the Chair.	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to Code of Conduct
Members interests	Conflict of interest Register of Members interests	L M	Standing agenda item for councillors to declare any interests at the start of each meeting. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate. Members take responsibility to update their Register
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L L	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. Ensure compliance measures are in place.	Existing procedure adequate. Review insurance provision annually.
Assets	Loss or Damage Risk/damage to third party(ies)/property	L L	All new and existing assets assessed for potential deterioration and harm. An annual review of assets is undertaken for insurance provision, storage and maintenance provisions. Lead Councillor has been RoSPA trained to carry out periodic inspections of playground equipment. Annual independent inspection of equipment undertaken by Playsafety (RoSPA subsidiary)	Asset register to be updated Annually
Maintenance	Poor performance of assets or amenities Risk to third parties	L L	Council assets subject to regular maintenance monitoring and reporting at the public meeting. 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.	Existing procedure adequate.
	Poor performance by contractors and risk to third parties.	L	Contractor required to present proof of public liability insurance as part of submission of documents submitted in tendering process. Work performance monitored by lead councillor. Public notices posted by council assets with contact details of clerk to report damage or other issues.	Links to Report It! poster that is distributed around parish and published on council website.
Meeting location	Adequacy Health & Safety	L M	The parish council's public meetings are held at the Old School. The premises and the facilities have been assessed for accessibility and judged to be appropriate. Facilities are compliant with current legal requirements for Health & Safety and Equalities Act.	Existing location adequate.
Council records - electronic The Parish	Loss through: Theft, fire, damage corruption of computer	L M	Council's electronic records are stored on the council's laptop. Back-up files are taken at weekly intervals and a copy given to the Chairman. Compliant with all aspects of the GDPR. Personal and sensitive data is held according to the council's Retentions Policy and managed in accordance with the General Privacy Notice. Breaches Policy and Complaints Policy published on council's website.	New policies cover all aspects of data collection, storage, use and breaches in order to comply with Data Protection legislation.

Adopted:  
Review: