

Risinghurst and Sandhills Parish Council

Bev Field Nov 20

Financial Risk Register 2020/21

Note: Please refer to the Risk Register Guidance for scoring and risk rating

No.	Description of Risk	Impact of Risk	Likelihood score (1-3)	Impact score (1-3)	Risk Rating (1-9)	Tolerate/Treat/Transfer/Terminate? Response/actions taken
A	Finance category					
1	Precept not the result of proper detailed consideration.	<ul style="list-style-type: none"> Insufficient funds for Council operations 	2	2	4 medium	Treat <ul style="list-style-type: none"> Finance and HR Committee to prepare, review and propose a draft budget. To present the draft budget comparison with previous/current year actual expenditure to full council for amendment/approval with a precept recommendation
2	Banking not reliable	<ul style="list-style-type: none"> Loss of funds Storage of bank stationary Unmanaged transactions 	2	3	6 High	Treat/Transfer <ul style="list-style-type: none"> use a reputable bank. Stationary stored at Parish Clerk office in secure box Move to online banking to reduce fraud, and avoid cheques Monthly bank reconciliations Cash is banked immediately 2 signatories for each transaction
6	VAT not reclaimed	<ul style="list-style-type: none"> Reduced funds available 	2	2	4 medium	Treat <ul style="list-style-type: none"> Reclaim on a regular basis, between 1-4 times a year. Monitor through financial reporting

No.	Description of Risk	Impact of Risk	Likelihood score (1-3)	Impact score (1-3)	Risk Rating (1-9)	Tolerate/Treat/Transfer/Terminate? Response/actions taken
7	Unmanaged borrowing	<ul style="list-style-type: none"> Unable to manage debt 	1	3	3 medium	Treat/Terminate <ul style="list-style-type: none"> No borrowing currently
8	General reserve levels	<ul style="list-style-type: none"> Reserves could fall below adequate level 	2	3	6 high	Treat <ul style="list-style-type: none"> Consider a general reserve policy Use budgetary planning to manage spending
9	Poor value for money achieved in contracts	<ul style="list-style-type: none"> Reduced quality of service Value for money for public funds not achieved. 	2	2	4 medium	Tolerate/Treat <ul style="list-style-type: none"> Ensure value for money is coupled with continuity and quality of work. Seek tenders and quotes for services according to the Financial Regulations
B	Security Category					
3	Payroll error	<ul style="list-style-type: none"> Incorrect salaries paid, incorrect deductions or HMRC submissions made, not in line with legislation or guidance 	3	2	6 high	Treat/Transfer <ul style="list-style-type: none"> Independent payroll service provided by K Payroll Services RFO to check all calculations and deductions Membership of OALC and SLCC to provide employee advice, legislation guidance and salary negotiations Internal audit spot checks on payroll calculations
4	Loss through theft/fraud	<ul style="list-style-type: none"> Reduced funds 	2	3	6 high	Treat/Transfer <ul style="list-style-type: none"> Fidelity Insurance of £50,000 in place Two Councillors sign the payment schedule Electronic payments are authorised by the RFO & one signatory No petty cash kept – staff to reclaim expenses by a claim with receipts

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						<ul style="list-style-type: none"> Cashbook maintained with monthly bank reconciliations
5	HMRC failure to comply	<ul style="list-style-type: none"> Debt or penalty 	2	2	4 medium	Treat/Transfer <ul style="list-style-type: none"> Payroll service to submit monthly returns using PAYE tool. All employees registered with HMRC
10	Grant funds used inappropriately	<ul style="list-style-type: none"> Loss of reputation Breach of legislation 	2	1	2 low	Treat <ul style="list-style-type: none"> Ensure grants are in line with specific powers under appropriate legislation and recorded. Record the use of section 137 powers. Use grant application to confirm the benefit to residents or the local environment, and to receive reports on how the grant was used.
11	Non-standard and/or non-compliant accounting records kept.	<ul style="list-style-type: none"> Risk of complaint Risk to reputation Breach of regulations Risk of statutory recommendations, public interest report, advisory notice or judicial review. 	2	3	6 high	Treat/Transfer <ul style="list-style-type: none"> Continue to require adequate, complete and statutory financial records and accounts. Monitor the accounts and audit process through the Finance & HR committee function Provide training for RFO and members of the Finance & HR committee Use accounting software provider with specialism for small parish councils and support services.
12	Non-compliance with internal and external audit requirements and statutory deadlines	<ul style="list-style-type: none"> Risk of complaint Breach of regulations Risk of auditor issuing statutory recommendations, public 	2	3	6 high	Treat/Transfer <ul style="list-style-type: none"> Continue to ensure that a suitably qualified internal auditor is appointed who is experienced with Parish Council governance and accounting requirements. Provide training and support for book-keeping

No.	Description of Risk	Impact of Risk	Likelihood score (1-3)	Impact score (1-3)	Risk Rating (1-9)	Tolerate/Treat/Transfer/Terminate? Response/actions taken
		interest report, advisory notice or judicial review.				<ul style="list-style-type: none"> • Use the current joint panel accountability and governance practitioners guide • Monitoring through the Finance & HR committee
	Payroll service	<ul style="list-style-type: none"> • Loss of data • Service closes. 	2	1	3 low	Tolerate/Treat <ul style="list-style-type: none"> • Access payroll information on website. • Identify new provider if the accountants cease trading.
C	Property category					
	Allotments	<ul style="list-style-type: none"> • Public liability, loss of income, increased expenditure 	2	2	4 medium	Tolerate/Transfer <ul style="list-style-type: none"> • Maintain Public Liability insurance • Review allotment income and expenditure annually.
	Play parks – Olive Jacks, Downside Dip and Richards Way ball-park	<ul style="list-style-type: none"> • Public liability, cost of maintenance and replacement equipment. 	3	3	6 high	Treat/Transfer <ul style="list-style-type: none"> • Maintain Public Liability insurance • Annual ROSPA inspections for safety • Implement the inspector’s recommendations • Budget for replacement equipment • Risk assess use of the parks • Maintain sufficient public liability insurance • Keep an accurate asset register
	Playing field	<ul style="list-style-type: none"> • Public liability, cost of maintenance and replacement equipment. 	3	2	6 high	Treat/Transfer <ul style="list-style-type: none"> • Maintain Public Liability insurance • Budget for replacement equipment • Maintain sufficient public liability insurance

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	Pavilion	<ul style="list-style-type: none"> Public liability, cost of maintenance and replacement equipment. Breaching legislation e.g. Food Hygiene Regulations. 	3	2	6 high	Treat/Transfer <ul style="list-style-type: none"> Maintain Public Liability insurance Access advice and training from H&SE, Oxford City Council Annual PAT testing for electrical equipment Budget for maintenance and equipment Risk assess use of building Maintain sufficient public liability insurance Keep an accurate asset register
	Storage – container and garaging	<ul style="list-style-type: none"> Damage by vandalism, wear and tear, theft 	2	1	3 low	Treat/Transfer <ul style="list-style-type: none"> Budget for replacement equipment Maintain sufficient insurance Secure lock system Keep an accurate asset register
	Maintenance and sport equipment	<ul style="list-style-type: none"> Damage by vandalism Wear and tear Theft 	2	1	3 low	Treat/Transfer <ul style="list-style-type: none"> Budget for replacement equipment Maintain sufficient insurance Secure lock system Keep an accurate asset register
	Bins – grit, dog, litter	<ul style="list-style-type: none"> Damage by vandalism Wear and tear 	2	1	3 low	Treat/Transfer <ul style="list-style-type: none"> Use the graffiti team from OCC street services Report damage to the emptying/supplying authority Budget for replacement Insure appropriately Keep an accurate asset register

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D	Legal Category					
	Employment legislation	<ul style="list-style-type: none"> • Staff turnover • Cost of recruitment, • Unfair treatment of staff • Risk of challenge in employment tribunal • Breach of legislation 	2	3	6 high	Treat/Transfer <ul style="list-style-type: none"> • Continue with memberships of NALC/OALC and SLCC. • Obtain further legal advice where required • Ensure employment policies are in place and followed. • Insurance policy to include employer's liability and officials indemnity.
E	IT Category					
	Loss of data	<ul style="list-style-type: none"> • Breach of legislation • Operations halted 	2	2	4 medium	Treat <ul style="list-style-type: none"> • Update and backup laptop with all information on OneDrive. • 2-step sign in on all devices
	Loss of equipment	<ul style="list-style-type: none"> • Operations halted. 	2	1	3 low	Tolerate/Treat <ul style="list-style-type: none"> • Replace equipment, access data through cloud storage
F	Reputation Category					
	<ul style="list-style-type: none"> • Non-standard accounting records. • Non-compliance with internal and external audit requirements and statutory deadlines 	<ul style="list-style-type: none"> • Accounting inaccurate, legislation and guidance not conformed to. • Poor audit outcomes. • Reduced public confidence in managing public funds. 	2	2	4 medium	Treat/Transfer <ul style="list-style-type: none"> • Maintain accounting records through a known provider for Parish Council accounts. • Use support and checks to maintain accurate recording.

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						<ul style="list-style-type: none"> • Use a specialist internal auditor experienced in Parish Council accounting and governance. • Adherence to the Financial regulations and JPAG Practitioners Guide for the current year
	Maintaining a balanced budget	<ul style="list-style-type: none"> • Budget not balanced at year-end. • Precept claim not connected to proposals and budget forecast. • Uncontrolled spending. 	2	2	4 medium	<ul style="list-style-type: none"> • Finance & HR committee to monitor the budget expenditure and detailed preparation for the coming budget cycle. • Budget planning to inform the precept claim • Chairman to participate in/support the Finance & HR committee in their budgetary control recommendations
	Lack of transparency	<ul style="list-style-type: none"> • Loss of public confidence • Loss of public engagement 	2	2	4 medium	<ul style="list-style-type: none"> • Publish all accounting documents as in the “<i>JPAG Practitioners Guide</i>” on the Parish Council website. • Publish explanations of variances if needed. • Publish the approved budget for each year • Publish minutes to show the budget cycle process • Minutes to include all financial decisions with reasons
	Failure of a project	<ul style="list-style-type: none"> • Reduction in provision to the community 	2	2	4 medium	<ul style="list-style-type: none"> • Use the Financial Regulations to ensure a robust tender/quote process with reputable companies • Check documentation of contractors e.g. public liability insurance, risk assessment, policies and their ability to deliver the work. • Plan proposed projects into the budget to correspond with the precept claim.

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	Councillor conduct	<ul style="list-style-type: none"> • Loss of respect and public confidence 	2	2	4 medium	<ul style="list-style-type: none"> • Ensure Councillors are aware of the code of conduct, including the 7 principles of public life, and declarations for the register of interests. • Councillors encouraged to attend trainings as appropriate. • Maintain membership of the OALC/NALC for ongoing legal advice to Parish Councils.
	Staff conduct	<ul style="list-style-type: none"> • Loss of public confidence • Poor delivery of services. 	2	2	4 medium	<ul style="list-style-type: none"> • Maintain membership of the SLCC for ongoing advice and support to the Parish Clerk. • Clerk to attend trainings as appropriate • Staff to undergo supervision/annual appraisal as appropriate to reflect on the job description, performance and representation of the Council to the public.

Approved by the Finance and HR committee of Risinghurst and Sandhills Parish Council on 14/12/20