

Fairfield Parish Council
Risk assessment review of Internal Controls

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that seeks to enable the Parish Council to identify and mitigate its potential inherent risks. The Parish Council, based on this recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, in so far as is practically possible.

This document has been produced to enable Fairfield Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to mitigate them.

Subject	Risk(s) identified	Likelihood Impact	Management Control of Risk	Review / Assess Frequency
Councillors	Losing Councillor membership or having more than 4 vacancies at any one time	Low	When a vacancy arises there is a legal process to follow. This either leads to a by-election or a co-option process. The by-election is arranged by Central Bedfordshire Council. If it is a co-option process, the FPC Co-Option Procedure is followed. If there is more than 4 vacancies at any one time the Parish Council becomes inquorate and the legal process of Central Bedfordshire Council takes place.	Existing procedures are adequate and are reviewed regularly. Procedures of Central Bedfordshire Council are adequate.
Precept	Inadequacy of existing funds and Precept	Low	Expenditure is monitored against the approved budget and quarterly reports are presented to the Council. Budget and Precepts are agreed annually before the Precept requirement has to be submitted to Central Bedfordshire Council.	Existing procedures adequate.
	Amount not received from Central Bedfordshire Council	Low	The Clerk informs the Council when the money is received. (Normally April and September).	
Financial Records	Inadequate records	Low	The Council has Financial Regulations which set out the requirements.	Existing procedures adequate. Review of Financial Regulations annually.
	Financial irregularities	Low		

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Bank and Banking	Inadequate checks	Low	The Council has Financial Regulations which set out the requirements for banking, cheques and bank reconciliation.	Existing procedures adequate. Review insurance provision annually. Review signatories at the Annual Meeting and after a Councillor's resignation.
	Bank mistakes	Low	The Clerk reconciles the bank accounts once a month when the statement is issued, any problems / irregularities are dealt with immediately. The bank reconciliation is presented to the Council every month at a Full Council Meeting.	
	Loss	Low		
	Charges	Low		
	Loss of signatories	Low	Council chooses to replace signatories or a Councillor resigns.	
Cash / Cash Plus Card	Loss through theft or dishonesty	Low	The Council has Financial Regulations which set out the requirements.	Existing procedures adequate. Review of Financial Regulations annually.
Litigation	Potential risk of legal action being taken against the Council	Medium	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 and is reviewed annually but there is a risk of other claims.
Reporting and Auditing	Lack of information and / or clear information	Low	Financial Information is a monthly agenda item.	Existing procedures adequate.
Direct costs	Goods not supplied but billed	Low	Invoices only paid when goods received or work has been completed.	Existing procedures adequate.
Overhead expenses	Incorrect invoicing	Low	Invoices are checked against purchase / contract orders.	
Grants payable	Power to pay	Low	All such expenditure goes through the required Council process of approval, minuted and listed accordingly. The Council has the General Power of Competence.	Existing procedures adequate.
	Authorisation of Council to pay	Low	All applications follows the Grant Procedure and complete an application form.	
	Transparency	Low	All applications are discussed at Full Parish Council Meetings and decisions recorded in minutes. Applications are available for the Public to inspect.	

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Best Value Accountability	Work awarded incorrectly	Low	Normal Council practice is to seek at least three quotations if possible as per the Financial Regulations.	Existing procedures adequate.
	Overspend on services	Medium	If a problems is encountered with a contract the Clerk would investigate the situation, check the quotation / tender, research the problem and report to the Council.	Review of Financial Regulations annually.
Employees	Loss of Clerk	Low	The clerk should be provided with relevant training, reference books and legal advice required to undertake the role. There is a Continuity Plan in place and this is updated regularly.	Existing procedures adequate.
	Fraud	Low	The requirement of the Fidelity Guarantee Insurance should be adhered to.	
Salaries	Salary paid incorrectly	Low	This is agreed monthly and is presented at Full Council Meeting.	Existing procedures adequate.
	Wrong hours paid	Low		
	Wrong rate paid	Low	This is reviewed when NALC issue new Pay Scales or before if required.	
	Wrong deductions of NI or Tax	Low	The Clerk operates a Real Time HMRC PAYE System to ensure the Council is complying with current regulations.	
	Unpaid Tax and NI to HMRC	Low		
Councillor Allowances	Councillors overpaid Income tax deductions	n/a	No allowances are allocated to Parish Councillors.	No procedure required.
Election Costs	Risk of an Election Cost	Low	Risk is higher in an election year. When a scheduled election is due the Clerk will obtain an estimate of costs from Central Bedfordshire Council. There are no measures which can be adopted to minimise the risk of having an election, as this is a democratic process.	Council should consider having a Contingency Fund for Election Costs.
VAT	Re-claiming	Low	The Council has Financial Regulations which set out the requirements.	Existing procedures adequate.
Internal Audit	Completion within the time limits	Low	Internal Auditor appointed annually by the Council. Internal Auditor is supplied with all the documents to audit and the form to complete and sign for the External Audit.	Existing procedures adequate.

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Annual Return	Completion / Submission within time limits	Low	Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within the time limit.	Existing procedures adequate.
Legal Powers	Illegal activity or payments	Low	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings. The Power used is recorded in the Accounts. The Council has The General Power of Competence.	Existing procedures adequate.
Minutes / Agendas / Notices / Statutory Documents	Accuracy and legality	Low	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the following Council Meeting. Minutes and agenda are displayed according to legal requirements.	Existing procedures adequate. Review insurance provision annually.
	Business Conduct	Low	Business conducted at Council Meetings should be managed by the Chair.	Guidance / training should be given (if required) to the Chair. Members adhere to Code of Conduct.
Council records - paper	Loss through Theft or Fire Damage	Low / Medium	The Parish Council records are either stored in a locked filing cabinet in the Community Hall or in a locked cabinet in a locked office in the Clerk's Office in Letchworth. Most paper copies are also stored electronically on the Clerk's computer.	Damage (apart from fire) and theft is unlikely and so provision is adequate.
Council records - electronic	Loss through Theft , Fire, corruption of computer	Low	Council's records are stored on the Clerk's computer. The Council has Acronis software. Cloud back up is via One Drive and Acronis and there is a weekly back up put on a portable hard disc.	Existing procedures adequate.

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Members Interests	Conflict of Interest	Medium	Declarations of Interests is an agenda items for all Meetings.	Existing procedures adequate.
	Register of Members Interests	Medium	Register of Members of Interests forms should be reviewed regularly by Councillors.	Members take responsibility to update their Register.
Website	Inadequate or outdated information and lack of public engagement with the use of website.	Low	Website updated by Clerk and Councillors as necessary.	Existing procedures adequate but more Councillors should consider being trained to do updates.
Insurance	Adequacy	Low	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 within policies. Ensure compliance measures in place. Fidelity checks in place.	Existing procedures adequate. Review insurance provision annually.
	Cost	Low		
	Compliance	Low		
	Loss or damage	Low	Insurance and Asset Registers updated annually.	
Assets	Risk / damage / injury to third parties	Low	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.	Existing procedures adequate. Review insurance provision annually.
Data Protection	Failure to implement Policy provision	Low	The Parish Council is registered with the Information Commissioner. The Council has a Data Protection Policy and has a Privacy Notice.	Ensure Annual Renewal of Registration. Policy to be reviewed regularly.
Freedom of Information	Failure to implement Policy provision	Low	The Council has a model publication scheme for Local Councils in Place.	Monitor and report any impacts of requests made under the FOI Act.

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Meeting Location	Adequacy Health and Safety	Low Low	The Parish Council Meetings are held in the Community Hall. The premises and the facilities are considered to be adequate for the Clerk and Public who attend from Health & Safety, Disability Discrimination and comfort aspects.	Existing location adequate.