



Wombourne Parish Council

Financial Risk Assessment 2023/2024

Risk Management Strategy

Wombourne Parish Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level.

The Parish Council reviews risk on a regular basis, including any newly identified risks.

The Guidance on Governance and Accountability for Local Councils in England (published by the Joint Practitioners' Advisory Group) makes the following observations regarding risk management:

- Risk management is not just about financial management: it is about ensuring the achievement of objectives set by the council to deliver high quality public services; and
- The local council audit approach seeks to encourage local councils to address these issues by placing emphasis on the need to keep under review and, if need be, to strengthen their own corporate governance arrangements thereby improving their stewardship of public funds and providing positive and continuing assurance to taxpayers.

Members are responsible for risk management because risks threaten the achievement of policy objectives. Therefore, each year Members should:

- Take steps to identify and update their record of key risks facing the Council
- Evaluate the potential consequences to the Council if an event identified as a risk takes place (in terms of likelihood and impact).
- Decide upon appropriate measures to avoid, reduce, or control the risk or its consequences; and
- Record any conclusions or decisions reached.

Assessment of risk

Each risk will be assessed in terms of its likelihood and impact on the Council.

Likelihood

		Probability	Possible indicators
4	Almost Certain	• 90%	Frequent occurrence
3	Likely	• 60%	Regular occurrence
2	Possible	• 10%	Occasional occurrence
1	Unlikely	• < 10%	Has never occurred

Impact

		Risk threat
4	Major	Financial impact > £500,000 Fatality/disabling injuries to public or staff / adverse national media attention / external intervention / total service disruption / extensive legal action against the council
3	Serious	Financial impact > £250,000 Adverse local media attention / extensive public complaints / adverse comments by regulators or auditors / significant service disruption / failure to deliver projects or targets / service disruptions / injuries to public or staff / legal action against the Council
2	Significant	Financial impact > £50,000 Adverse service users complaints / service disruption / minor injuries and near misses to staff and public
1	Minor	Financial impact less than £5,000 / isolated complaints / minor service disruption

Risk matrix

Likelihood

4	4	8	12	16
3	3	6	9	12
2	2	4	6	8
1	1	2	3	4
	1	2	3	4

High
Medium
Low

Impact

The key risks

The key risks for the Council are assessed for impact and likelihood (using the criteria listed above); so that risks are identified as low, medium, or high.

Controls are then identified to mitigate the risk. It is anticipated that the risk will be reviewed annually unless there is a change in intelligence. The table also assigns responsibility for the risk.

PART A. ASSESSMENT DETAILS:			
Name of Person(s) undertaking Assessment:		Rachael Wright – Clerk to Wombourne Parish Council Councillor Mary Roberts – Chairman of Finance and General Purposes Committee Councillor Jan Evans – Vice-Chairman of Finance and General Purposes Committee	
Signature(s):			
Date of Assessment: March 2024			
Signature:		Planned Review Date:	March 2025

Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Assets					
Protection of physical assets	3	2	<ul style="list-style-type: none"> Asset register updated annually, with any changes through additions and disposals updated on an ad hoc basis. Maintenance of buildings, sites, and equipment under control of specific committee Playground equipment is checked according to programme of inspections (quarterly) and annually Insurance cover reviewed annually at policy renewal against asset register 	Existing procedures are adequate. Inspection of asset register forms part of annual internal audit.	Clerk / relevant committees
Security for vulnerable buildings, amenities, or equipment	3	2	<ul style="list-style-type: none"> Council has assessed requirement for security devices for buildings and found current arrangement appropriate. Designated staff have responsibility for buildings / parks. 	Current procedures are adequate. Council have Police Liaison Councillor and good working relationship with local team at Civic Centre	Clerk / relevant committee
Maintenance for vulnerable buildings, amenities, or equipment	3	2	<ul style="list-style-type: none"> All premises maintained within approved budget. Maintenance undertaken in house where appropriate and external contractors used as required. 	Current procedures are adequate. Committees review spend against budget heading quarterly. Buildings are included on asset register and insured.	Clerk / relevant committee

Reviewed: March 2024
March 2025

Adopted: 25th March 2024

Next Review Date:

Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Provision of amenities / facilities for local community groups	3	2	<ul style="list-style-type: none"> The Council provide free room hire to Gentleman from former Wombourne Senior Citizens, Wombourne Best Kept Village Committee, Friends of Wombrook, Wombourne Carnival Committee and Wombourne, District Community Association and for wakes of current /former Councillors Charges and terms and conditions apply to all other hirers, these are reviewed annually 	Current procedures are adequate. Councillors appointed to Outside Bodies, who report back to Full Council regularly.	Clerk / relevant committee
Procurement					
Awarding of contracts for services and the purchase of capital equipment		1	<ul style="list-style-type: none"> The Council has Standing Orders that govern the awarding of contracts Standing Orders reviewed annually 	Adequate procedures are adequate.	Clerk / appropriate committee
Professional services and contractors	3	1	<ul style="list-style-type: none"> The Council regularly uses the services of the same trusted contractors 	Council to ensure best value is obtained by ad hoc check of prices from competitors	Clerk / appropriate committee
Liability					
Risk of damage to third party property or individuals / legal liability	3	2	<ul style="list-style-type: none"> Public liability in place covering personal accident liability for employees and members. Risk assessments conducted. Inspections / regular checks conducted in accordance with procedures. 	Existing procedures are adequate. Insurance in place and reviewed annually.	Clerk / appropriate committee

Reviewed: March 2024
March 2025

Adopted: 25th March 2024

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Legal liability because of asset ownership (e.g playgrounds)	4	2	<ul style="list-style-type: none"> • Insurance in place • Regular inspections conducted by staff • Annual and quarterly play equipment inspections 	Clerk to identify training for staff conducting playground inspections	Clerk / appropriate committee
Employer liability					
Safety of staff	2	1	<ul style="list-style-type: none"> • Risk assessments in place • Lone worker policy in place <ul style="list-style-type: none"> • Staff are trained • Regular checks / inspections conducted <ul style="list-style-type: none"> • Insurance in place • Staff given appropriate PPE • Staff are given personal alarms 	Existing controls are adequate	Clerk / appropriate committee
Comply with inland revenue requirements	2	1	<ul style="list-style-type: none"> • Internal and external audit 	Existing procedures are adequate	Clerk / appropriate committee
Staffing					
Staff cover	3	2	<ul style="list-style-type: none"> • All key duties covered • Annual leave co-ordinated to always ensure cover • Earmarked reserve held for staff salary contingencies • Staffing Committee in place who can meet quickly (subject to 3 days' notice) to deal with any issues • Staff preparing comprehensive notes in relation to their tasks to enable cover 	Council to consider contingency plans for long term absence. Earmarked reserves starting to be built up.	Clerk / responsible committee

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March 2025

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Staff retention	3	2	<ul style="list-style-type: none"> • Annual appraisals conducted • Annual salary increments • Training and opportunity for learning and development given 	Council to ensure they offer opportunity for job role analysis to ensure pay scales are appropriate and in line with any role changes. Advice available from SPCA.	Clerk / responsible committee
Legal liability					
Ensuring activities are within legal powers	3	1	<ul style="list-style-type: none"> • Clerk to clarify legal position with any new proposal and seek advice where necessary 	Existing procedures in place are adequate. SPCA and SLCC membership as well as legal retainer with SSC. Clerk CiLCA qualified.	Clerk / appropriate committee
Proper and timely reporting via minutes	1	1	<ul style="list-style-type: none"> • Council meets once a month, committees usually also once a month. Minutes are distributed in a timely fashion and are approved at the next meeting. Minutes are available to public and press. 	Existing procedures in place are adequate. Minutes available online.	Clerk / appropriate committee

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Business Continuity					
Losing a Councillor or having more than 4 vacancies at once	1	1	<ul style="list-style-type: none"> • 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, then appointment. • If there are more than 4 vacancies at any one time, the Council becomes inquorate. The legal process of District Council appointing members takes place. 	Existing procedures are adequate. Co-Option Policy in place. Membership to SPCA so assistance is available if required.	Clerk / appropriate committee

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Risk of the Council not being able to continue its business due to an unexpected or tragic circumstance	1	1	<ul style="list-style-type: none"> Annual budget setting process takes place, agreed by the Finance and General Purposes Committee, and signed off at Full Council Quarterly review of budgets takes place Reserves in place – the Council should ensure that their general reserves are kept at an acceptable level and listen to the advice of the Clerk and RFO 	Existing procedures are adequate – need to ensure that reserves are maintained at an acceptable level and in line with any reserve policy.	Clerk / appropriate committee
Finance					
Inaccurate records / financial irregularities	3	1	<ul style="list-style-type: none"> Financial regulations set out the requirements of the Council A finance management system (AdvantEdge) is used to keep a record of all financial activity and financial reports are pulled from that system 	Annual review of financial regulations required	Clerk / appropriate committee

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Inadequate checks / bank mistake / loss of signatories	3	1	<ul style="list-style-type: none"> Financial regulations set out the requirements for banking Monthly bank reconciliation completed, so any mistakes by the bank will be picked up as part of that process Account balance is monitored as part of the monthly bank reconciliation to ensure that the account is in credit and therefore no charges will be incurred Council to choose replacement signatories, consideration to be made after an election or due to change of Chairman of Committees 	Existing procedures are adequate	Clerk / appropriate committee
Goods not supplied by invoices / incorrect invoicing / cheque or BACS payable incorrect	2	2	<ul style="list-style-type: none"> Financial regulations set out procedures Full list of payments submitted at each Full Council Meeting Cheques are signed by the Clerk and two Members who also initial the cheque stub and invoice BACS payments require dual authorisation List of payments emailed to all Members prior to approval and full Council approves the full list of payments 	Existing procedures are adequate	Clerk / appropriate committee

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Receipt of grants	2	1	<ul style="list-style-type: none"> • No regular grants received • Terms and conditions of one-off grants would be satisfied 	Clerk to review procedure for one off grant if required	Clerk / appropriate committee
Payment of charges, leases, and rentals	1	1	<ul style="list-style-type: none"> • Long term lease for public conveniences agreed at £1 • Lease for Brickbridge Playing Fields– no payment required at present • Lease for Bratch Park – no payment required at present 	Existing procedure adequate	Clerk / appropriate committee
Receipt of rentals	2	1	<ul style="list-style-type: none"> • Leases in place for tenants at Civic Centre and invoices issued from the Parish Office either monthly or quarterly depending upon agreement • Football pitches hired out for pre-bookings only and invoice issued accordingly 	Existing procedures are adequate	Clerk / appropriate committee

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Salaries paid incorrectly / wrong hours paid / wrong deductions made / unpaid tax and NI	2	2	<ul style="list-style-type: none"> • The Council are emailed a list of payments made to allow quick payment of invoices, which are then authorised through Full Council each month • Salaries are assessed annually • Sage system used to calculate salaries as well as tax and NI contributions • Timesheets submitted by manual employees for hours worked / any additional hours • Contracts of employment confirm salaries and hours to be worked 	Existing procedures are adequate	Clerk / Assistant to the Clerk / appropriate committee
Councillor expenses	1	1	<ul style="list-style-type: none"> • Annual allowance paid to Chairman of the Council, currently £750, upon receipt of invoices • Amount reviewed and agreed as part of budgeting process • Council agreed allowances for travel not payable 	No procedure required	Clerk / appropriate committee

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Risk	Impact	Likelihood	Controls (Actions already taken to control the risk)	Review, assess, revise	Responsibility
Costs associated with elections	2	3	<ul style="list-style-type: none"> • Cost of elections higher in an election year, however, costs can be incurred if a bye-election is called for any causal vacancies. • When a scheduled election is due, the Clerk will ascertain estimated costs and budget accordingly. • There are no measures which can be adopted to minimise the risk of elections, as this is a democratic process, however, the Council can ring fence a sum each year to account for any elections • The Council have ringfenced sums to build up a contingency for elections to be used for bye-elections only and a separate fund which they contribute to annually for the regular elections (every 4 years) 	Existing procedures are adequate	Clerk / appropriate committee
Banking arrangement	3	1	<ul style="list-style-type: none"> • Reviewed periodically by Finance and General Purposes Committee • All cheques require 3 signatures • BACS payments require dual authorisation 	Current procedures are adequate.	Clerk / appropriate committee
Loss of cash through theft or dishonesty	1	1	<ul style="list-style-type: none"> • Fidelity Guarantee cover for employees and members <ul style="list-style-type: none"> • Petty cash kept at £100 • Hirers encouraged to pay invoices by BACS 	Existing procedures are adequate. References obtained for new staff.	Clerk / appropriate committee

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Financial controls and records	3	1	<ul style="list-style-type: none"> Financial Regulations in place 3 signatures on cheques and dual authorisation on BACS payments Internal and external audit 	Existing procedures are adequate.	Clerk / appropriate committee
Comply with HMRC regulations	2	1	<ul style="list-style-type: none"> VAT payments and claims calculated by Assistant to the Clerk and checked by Clerk. Internal and external audit. 	Existing procedures are adequate. Documentation to support VAT claims kept.	Clerk / appropriate committee.
Sound budgeting	3	2	<ul style="list-style-type: none"> Finance and General Purposes recommend budget to Full Council Expenditure again budget heading reported to Committee quarterly Spreadsheet used for budgeting which Members manipulate 	Existing procedures are adequate.	Clerk / appropriate committee.
Precept not able to support expenditure	3	2	<ul style="list-style-type: none"> Quarterly review of budgets takes place Chairman of Committees meet with the Clerk to determine budgets which are then reviewed by the Finance and General Purposes Committee and agreed by the Full Council at the following meeting 	Clerk provides advice to Finance and General Purposes Committee on correct calculation of precept, and provides a forecast showing how long reserves will last if Council continue to use them to supplement precept	Clerk / appropriate committee
Data protection	3	1	<ul style="list-style-type: none"> The Parish Council is registered with the ICO and pays an annual fee GDPR policies in place and support agreed with the District Council Publication scheme in place and information on website 	Existing procedures are adequate	Clerk / appropriate committee

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Full implementation of the Control Measures identified in the above risk assessment is the responsibility of Wombourne Parish Council

I certify that the risk assessment above fully applies to the area/task/activity under assessment in Wombourne.

Signed: Name: Rachael Wright Risk Assessor

Signed: Name: Cllr Mary Roberts Chairman of the Finance and General Purposes Committee

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