

# LITTLE LEIGH PARISH COUNCIL FINANCIAL RISK ASSESSMENT 2023

Table 1 Area where there may be scope to use insurance to help manage risk	
Risk Identification	Council's response
Insurance cover for risk is the most common approach to certain types of inherent risks:	Comprehensive insurance is in place with Zurich
The protection of physical assets owned by the council – buildings, furniture, equipment, etc. (loss or damage)	These items are covered.
The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability)	Public liability insurance cover for £10,000,000
The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (fidelity guarantee)	Fidelity cover for £100,000
Legal and public liability as a consequence of asset ownership	Reviewed at appropriate times in the year.

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<p><b>Internal controls</b></p> <p>An up- to -date register of assets and investments</p> <p>Annual review of risk and adequacy of cover</p> <p>Ensuring the robustness of insurance providers</p>	<p><b>Council's response</b></p> <p>Reviewed annually</p> <p>Clerk checks cover prior to renewal</p> <p>Use insurers recommended by NALC/ChALC</p>
<p><b>Internal audit assurance</b></p> <p>Review of internal controls in place and their documentation</p> <p>Testing of specific internal controls and reporting findings to management</p>	<p><b>Council's response</b></p> <p>This is covered by general management arrangements with reports to the finance committee and full Council.</p> <p>Compliance with Standing Orders</p>

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Table 2 Areas where there may be scope to work with others to help manage risk	
Risk Identification	Council's response
The limited nature of internal resources in most local councils means that councils wishing to provide services often buy them in from specialist external bodies.	None
Maintenance for vulnerable buildings, amenities or equipment	Hall is managed by Village Hall Management Committee
The provision of services being carried out under agency/partnership agreements with principal authorities	N/A
Banking arrangements, including borrowing or lending	Little Leigh parish council banks with the Co Operative bank and has no borrowings or lendings.
Ad hoc provision of amenities/facilities for events to local community groups	Managed by Village Hall Management committee

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Vehicle or equipment lease or hire	N/A
Trading units (leisure centres, playing fields, burial grounds, etc.)	
Professional services (planning, architects, accountancy, design etc.)	N/A
	N/A

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<b>Internal controls</b>	<b>Council's response</b>
Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment	In place, reviewed annually or if a change of circumstances occurs
Regular reporting on performance by suppliers, providers, contractors	Little Leigh Parish Council activities are not on such a regular basis to require such controls. Individual projects have controls in place
Annual review of contracts	
Clear statements of management responsibility for each service	
Regular scrutiny of performance against targets	
Adoption of and adherence to codes of practice for procurement and investment	
Arrangements to detect and deter fraud and/or corruption	Internal and External Audits carried out
Regular bank reconciliations, independently reviewed	

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<b>Internal audit assurance</b>	<b>Council's response</b>
<p>Review of internal controls in place and their documentation</p> <p>Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied</p> <p>Review and testing of arrangements to prevent and detect fraud and corruption</p> <p>Review of adequacy of insurance cover provided by suppliers</p> <p>Testing of specific internal controls and reporting findings to the parish council.</p>	<p>A comprehensive internal audit is provided by Chris Swallow Ltd</p>          <p>This is done on an individual basis because of small number of projects undertaken.</p>

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Table 3 Areas where there may be a need to self-manage	
Risk identification	Council's response
There are a number of activities that create business risks that do not fall easily into either of the above categories for a number of reasons, principally because they are either difficult to quantify or considered inefficient to have provided externally or just uninsurable.	
Keeping proper financial records in accordance with statutory requirements`	Done
Ensuring all business activities are within legal powers applicable to local councils	Done and checked on internal audit
Complying with restrictions on borrowing	No current borrowing

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<p><b>Prevent Supplier Fraud</b> Most standard local council insurance policies do not cover supplier fraud.</p> <p>The supplier fraud risks can be managed via appropriately robust policies.</p>	<p>Train Clerk to alert them to the potential risk of providing sensitive parish council information by phone or other means, especially contract and account information.</p> <p>Establish a rigorous change of supplier details procedure – where a supplier has purported to change their bank details, if ever paying by bank transfer, call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email.</p> <p>The Clerk should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change;</p> <p>Periodic review of supplier accounts should be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure financial payments;</p> <p>Check address and financial health details with Trust Pilot and Companies House;</p> <p>Check samples of any online payments to supplier invoices to ensure the payment has been made to the supplier bank account.</p> <p>Pay invoices by cheque, not by any kind of bank transfer, so that the name of the company is on the cheque.</p> <p>Check each bank statement to account for all cheques paid;</p> <p>Telephone suppliers if in any doubt.</p>
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<p>Ensuring that all requirements are met under employment law and Inland Revenue regulations</p> <p>Ensuring all requirements are met under Customs and Excise regulations (especially VAT)</p> <p>Ensuring the adequacy of the annual precept within sound budgeting arrangements</p> <p>Monitoring of performance against agreed standards under partnership agreements</p> <p>Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137</p> <p>Proper, timely and accurate reporting of council business in the minutes</p> <p>Responding to electors wishing to exercise their rights of inspection</p> <p>Meeting the laid down timetables when responding to consultation invitation</p>	<p>Take care if any changes are made to the ways to pay an established supplier and when using a new supplier</p> <p>Take professional advice where necessary</p> <p>VAT claimed annually, checked by internal audit</p> <p>Part of the budgeting is checked on internal audit</p> <p>N/A</p> <p>Internal audit process checks this item.</p> <p>Checked by internal audit</p> <p>Checked by internal audit</p> <p>Managed by Clerk</p>
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Table 3 Areas where there may be a need to self-manage risk	
<p><b>Internal controls</b></p> <p>A council's internal controls may include:</p> <p>Regular scrutiny of financial records and proper arrangements for the approval of expenditure</p> <p>Recording in the minutes the precise powers under which expenditure is being approved</p> <p>Regular returns to the Inland Revenue; contracts of employment for all staff, annually reviewed by the council, systems of updating records for any changes in relevant legislation</p> <p>Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary</p> <p>Regular budget monitoring statements</p>	<p><b>Council's response</b></p> <p>These items are covered by regular calendar of meetings, financial calendar, management system, attendance on courses so members of staff and councillors keep up to date. There is also an annual appraisal of the only employee, the clerk, reviewing the contract of employment</p>

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Developing systems of performance measurement	In place N/A
Procedures for dealing with and monitoring grants or loans made or received	Done
Minutes properly managed with master copy kept in safekeeping	Procedure in place
Documented procedures to deal with enquiries from the public	Procedure in place
Documented procedures to deal with responses to consultation requests	Procedure in place
Documented procedures for document receipt, circulation, response, handling and filing	
Procedures in place for recording and monitoring members' interests and gifts and hospitality received	Annual review of Members' interests and a monthly record kept of gifts or hospitality
Adoption of codes of conduct for members and employees	Part of Code of Conduct In place

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<b>Internal audit assurance</b>	<b>Council's response</b>
<p>Internal audit testing may include:</p> <p>Review of internal controls in place and their documentation</p> <p>Review of minutes to ensure legal powers in place, recorded and correctly applied.</p> <p>Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash transactions</p> <p>Review and testing of arrangements to prevent and detect fraud and corruption</p> <p>Testing of disclosures</p> <p>Testing of specific internal controls and reporting findings to management</p>	<p>These are part of the management process, covered by the Financial Calendar and the Internal Audit process.</p> <p>Committees and Council carry out monitoring procedures</p>

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The Clerk will ensure the notification of personal data breaches and undertake data protection impact assessments where required for new projects as directed by the Council as Data Controller. A record log of processing of data will be maintained by the Clerk as Data Processor.

### Data Audit

SUBJECT	Nature/purpose of processing	Type of data/where is it from	Who is the data subject?	Lawful basis/bases for processing	Data Controls
Planning Applications	Consultations and decisions published by the Planning Authority, and shared with Parish Council. Clerk emails details of each application and decision to parish councillors. Also published with agenda and minutes, and discussed in open forum. Parish council comments on application provided by Planning Authority minutes, and discussed in open forum. Parish council comments on application provided by Planning Authority	Name and contact information; Principal authority; residents/public	Planning applicant/resident Other members of the public speaking in open public session at council meetings	Compliance with legal obligation	<ol style="list-style-type: none"> <li>1. Clerk to check all information before sharing with parish councillors, and ensure sensitive personal data is redacted wherever possible before sharing or publishing.</li> <li>2. Information in agenda and minutes to include only what is necessary to identify and discuss the application or decision. Any correspondence between PC and applicant to be in accordance with data protection principles, and to be deleted within two years.</li> <li>3. Information in agenda and minutes to include only what is necessary to identify and discuss the application or decision.</li> <li>4. Any correspondence between PC and applicant to be in accordance with data protection principles, and to be deleted within two years</li> </ol>

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Electoral roll provided by Principal Authority		Names, address, marital status; principal authority	Parish residents	Compliance with legal obligation	<ol style="list-style-type: none"> <li>4. Clerk to retain in a secure place.</li> <li>5. Electoral roll not to be shared with any other person.</li> <li>6. Members of the public to be directed to Principal Authority for any electoral roll queries.</li> </ol>
Parish Newsletter/Resident Surveys	Inform residents and gain views of residents	Resident Names and Contact details- from residents	Residents	Consent	Clerk to retain in a secure place and obtain consent form. Not to be shared.
Website	Information relating to the Parish is published on the website		Members of public	Consent; compliance with legal obligation	<ol style="list-style-type: none"> <li>1. Photographs of individuals shall not be published on the website without the express permission of the individual.</li> <li>2. Photographs will be deleted after a maximum of two years, and no copy of the photograph shall be retained by the PC</li> </ol>
Councillor details	Clerk retains contact details/gathered for election purposes/published in accordance with Transparency Code and Code of Conduct	Name, address, contact details, and disclosable pecuniary interests	Parish Councillors	Compliance with legal obligation	<ol style="list-style-type: none"> <li>1. Details will be published on website in accordance with statutory requirements.</li> <li>2. Data will be held by Clerk, on the PC laptop, and will be deleted when a councillor retires from office.</li> <li>3. Requests for this data from third parties shall be referred to the website.</li> </ol>

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<p>Email or letter queries from residents or from other third parties including a request for service , reporting issues or making complaints</p>	<p>Correspondence from members of the public/residents/other parties relating to parish matters which may contain personal data.</p>	<p>Name, address, contact details, with possible sensitive personal data, depending on the nature of the matter; residents provide</p>	<p>Members of the Public/Residents</p>	<p>Public interest; compliance with legal obligation</p>	<ol style="list-style-type: none"> <li>1. Any email letter of other form of query received by the PC which contains personal data will be retained for a maximum of two years.</li> <li>2. Such data may be stored on the PC laptop, held by the Clerk in a secure place.</li> <li>3. The agreed privacy notice shall be provided to any person who contacts the PC.</li> <li>4. In accordance with the agreed privacy notice, such data shall not be shared with any third party without the express permission of the data subject.</li> </ol>
<p>Minutes – matters raised by members of the public at meetings</p>	<p>Maintained and published in accordance with Local Government legislation</p>	<p>Names and possibly other information</p>	<p>Residents/members of the public</p>	<p>Compliance with legal obligation; public interest</p>	<ol style="list-style-type: none"> <li>1. Every effort should be made to avoid inclusion of personal data in agenda or minutes. Where personal data or potential identifiers cannot be avoided, these should be kept to a minimum.</li> <li>2. Members of the public who attend the public forum or the annual meeting should be informed by the Chair that the issue may be included in public minutes, and should give their consent to this before the discussion (consent to be implied as Chair gives the members of the public the chance to withdraw from the meeting if they wish).</li> </ol>



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Letter/email to residents asking them to perform actions (eg trim trees or hedges)	In response to requests made at PC meetings.	Names, addresses and possibly other personal data provided by residents	Residents/ members of the public	Compliance with legal obligation; public interest	<ol style="list-style-type: none"> <li>1. Copy to be retained on PC laptop, held by Clerk in a secure place, for a maximum of two years.</li> <li>2. Information shall not be shared with any third party without express permission of the data subject.</li> </ol>
Council Contracts and Services	Carrying out contracting work and services required by the Council;	Names, contact details, qualifications, financial details, details of certificates and diplomas, education and skills; provided in contract applications etc	Contractors/ Trades persons surveyors, architects, builders, suppliers, advisers, payroll processors	Contractual necessity	<ol style="list-style-type: none"> <li>1. Copy to be retained on PC laptop, held by Clerk in a secure place, for life of contract or 6 months for employment applications.</li> </ol>
Consider any other personal data ; eg Payroll	Personal data which comes under the control of the PC which does not fit into any of the categories above	Names, addresses and possible other personal data.			<ol style="list-style-type: none"> <li>1. Clerk to process the data in accordance with the data protection principles, always ensuring that personal data is stored securely and not shared with any third party without the express permission of the data subject. Clerk may need to bring report to Council to determine the way in which the data should be controlled.</li> </ol>

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Approved by Council on 23 May 2023

Chairman of Little Leigh Parish Council

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Clerk of Little Leigh Parish Council

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Dated 23 May 2023