



# **NORTH HORSHAM PARISH COUNCIL**

## **FINANCIAL AND MANAGEMENT RISK ASSESSMENT**

### **Risk Management Scheme 2025**

All Councils have a duty to assess and manage risks associated with finance, security, property, legal compliance, IT and the Council's reputation and must demonstrate what steps have been taken to mitigate risks to reduce them as much as possible.

This document is designed to give guidance in carrying out the Parish Council's responsibilities with respect to Financial and Management risks to comply with guidance given in the Joint Panel on Accountability and Governance Practitioners' Guide March 2022. It is part of a suite of documents that form North Horsham Parish Council's Risk Management Scheme and that aim to fulfil the Council's statutory duties.

Carrying out risk assessments gives a platform to take an organised look at risks from a Financial and Management perspective within the Parish Council's work activities and workplace using a standard management system explained on page 2 of the Risk Management Scheme. It will allow the Council to determine whether existing controls are adequate and to recognise where further preventative measures are required in order to achieve a tolerable level of risk.

The risk assessment will record the risk, the level of risk using the risk matrix on page 3 of the Risk Management Scheme and existing controls designed to mitigate risk to the Council associated with financial or reputational consequences. The risk assessment will also provide guidance for any necessary improvements to the identified controls. A list of all improvements required will be found in Annex 6 of the Risk Management Scheme.

This document should be regularly reviewed and used, not as an exhaustive solution to risk assessment but to provide assistance in fulfilling the Council's responsibilities and with the production of the Council's existing safety provisions.

The Responsible Financial Officer and Proper Officer of North Horsham Parish Council is Sarah Norman.

This document was reviewed in October 2025 and will be revisited by December 2026 by the latest.

FINANCIAL AND MANAGEMENT RISK ASSESSMENT						
Risk	Likelihood	Impact	Overall risk	People at Risk	Existing Controls	Actions
Opportunity for public participation at meetings	Low	Low	Low	Councillors, staff, public	The Council must comply with the Legislation that states that the public should have the opportunity to attend meetings.	
Annual Meeting of the electors	Low	Low	Low	Councillors, staff, public	2025 APM held	
Loss of income from hall closure during another pandemic	High	High	High	Council, residents, staff	The Parish Council get a Finance Report at every meeting so that they can see what impact any loss of income is having and they have an opportunity to discuss measures that can be put in place if deemed necessary.	To review reserves and any necessary replenishment of the General Reserves, as party of the 2026/27 Budget Process
Non-compliance with Acts of Parliament, Powers, Council's Financial Regulations, Code of Conduct, Standing Orders and Policies resulting in an illegal decision.	Unlikely	Moderate	Low	Council Residents Staff	<p>The Financial Regulations and Standing Orders have been reviewed in July 2025.</p> <p>Key policies are up to date and have a published review date. Policies are published on the Parish Council website and staff sign to say that they have read hard copies that are circulated. Other policies are implemented as required.</p> <p>North Horsham Parish Council (NHPC) is a member of WSALC and is routinely updated on changes in legislation. The Council proactively seeks training.</p>	

Non-compliance with Acts of Parliament, Powers, Council's Financial Regulations, Code of Conduct, Standing Orders and Policies resulting in an illegal decision (cont.)					<p>An Internal Audit is carried out annually in two parts; interim and final audit. The Internal Auditor checks to ensure that new legislation has been acted on.</p> <p>The Clerk and Deputy Clerk hold the Certificate in Local Council Administration (CiLCA) and the Clerk is a member of the Society of Local Council Clerks (SLCC) who regularly update on legislation.</p> <p>An active Internal Controls working party undertake a programme of checks that are reported to the Finance and Administration (F&amp;A) Committee.</p> <p>Referencing to appropriate regulations/ legislation on agenda items and minutes is encouraged.</p> <p>NHPC adopted the General Power of Competence (GPC) following the 2019 elections and reaffirmed this decision following the 2023 Elections. This means that the Council doesn't have to rely on statutory powers to undertake projects. To gain GPC the Council needs two thirds of the Council to be elected, a CiLCA qualified Clerk and a resolution to adopt the Power.</p> <p>Should any of those criteria change, the Council could lose GPC. Under those circumstances, existing projects can continue, but new projects would need statutory powers.</p>	
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Non-compliance with Acts of Parliament, Powers, Council's Financial Regulations, Code of Conduct, Standing Orders and Policies resulting in an illegal decision (cont.)					<p>New Councillors are given a brief induction by the Clerk but further training is recommended.</p> <p><b>Compliance with Her Majesty's Revenue and Customs (HMRC) Notices and Regulations-</b> Changes to HMRC practices are advised direct or through WSALC, SLCC or the Internal Auditor. VAT is submitted electronically to HMRC as part of the Parish Council's financial package. The risk is transferred to contractors for salary payments.</p> <p>Measures have been taken to ensure that the Parish Council's website is compliant with accessibility legislation and an appropriate policy has been adopted.</p>	
Poor control of Financial Management resulting in fraud/ or corruption.	Unlikely	Moderate	Low	Council Residents Staff	<p><b>Proper book keeping</b> The Council's financial affairs are overseen by the Finance and Administration Committee, supported by an Internal Controls Working Party.</p> <p>The Council's accounts are maintained by a computerised system. There is segregation of duties for the purchase ledger, sales ledger, credit control and maintaining records. There is increasing overlap in knowledge of how each staff member undertakes their role. In addition there is support from RBS which would enable work to continue should a staff member have long term absence.</p> <p>Quotations are obtained in line with Financial Regulations.</p> <p>Checks are made monthly to ensure that the Trial Balance and Nominal Ledger agree and that there are no differences between these and the cash book; sales and purchase ledgers; and</p>	

<p>Poor control of Financial Management resulting in fraud/ or corruption (cont).</p>					<p>VAT records. Any discrepancy is investigated and rectified.</p> <p>All payments are approved at either the full Council or by the Finance and Administration Committee. The expenditure lists forms part of the Minutes.</p> <p>All expenditure is authorised by two Councillors. Councillors check the invoice amount against the list of payments issued from the internet banking system and sign each one as a record that they have checked it. Three councillors who are bank signatories receive scanned copies of the invoices and bank listing and their authorisations are printed and attached to the payment listings.</p> <p>A list of Direct debits and accompanying invoices is sent for authorisation.</p> <p>There are limited but sufficient bank signatories and bank mandates are regularly reviewed. Internet banking is operated by two staff members, one who inputs the transactions and one who releases payment after authorisation.</p> <p>The Internal Auditor visits twice a year and undertakes a two part audit and tests the procedures and methods that are in place. Any concerns are included in his report which is taken to full Council. The interim Internal Audit for 2025/26 is to be completed in November 2025.</p> <p>Fidelity Guarantee insurance is in place and monitored by the Council.</p>	
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<p>Poor control of Financial Management resulting in fraud/ corruption (cont.)</p>					<p>An up to date asset register is in place and a system is in place to manage replacement of assets by determining life span, stage in the life cycle and replacement cost.</p> <p><b>Banking</b> Customers are encouraged to pay by bank transfer.</p> <p>Cheques are banked as soon as possible via the local Post Office. Photocopies of the cheques are made before they are paid in.</p> <p>Cash payments are not accepted.</p> <p>The photocopying service has been cancelled.</p> <p>Bank reconciliations to the bank statement are undertaken monthly, signed by the Chairman of Finance and reported at an appropriate meeting.</p> <p>Sufficient money is kept in current account as there is a sweep system transferring money to and from the current account to and from the business account to keep a level of around £5,000 in the current account at the end of each day.</p> <p>Any transactions requiring funds in excess of £5,000 during any working day require a manual transfer of funds.</p> <p>No overdraft facility.</p>	
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<p>Poor control of Financial Management resulting in fraud/ corruption (cont.)</p>					<p><b>Budgeting</b> Budget monitoring documents are produced monthly so that the Council can understand how income and expenditure is performing against budget. There is a timetable for setting the budget which forms part of an annual plan agreed by the Finance and Administration Committee.</p> <p><b>VAT</b> VAT returns are submitted electronically on a quarterly basis and the Finance and Administration Committee monitor the de minimus level throughout the year. Guidance is taken from HMRC and the Internal Auditor as appropriate.</p> <p><b>Investment</b> The Council has a Treasury Management Policy Different forms of investment are explored, in line with MHCLG guidance to protect capital sums, through the Finance and Administration Committee.</p> <p>Interest payments have significantly increased through deposits with CCLA.</p> <p><b>Complying with restrictions on borrowing.</b> The Parish Council previously held a Public Works Loan Board loan taken out in 2000 with the final payment paid in September 2025. If borrowing becomes an option that the Parish Council wants to take, advice is available from WSALC and the Internal Auditor.</p>	
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Risk of loss of income or need to provide essential services following critical damage, loss or non-performance by a third party	Unlikely	Moderate	Low	Staff Council	<p>Business Interruption insurance in place. A Business Continuity Plan and strategy has been developed. Insurance doesn't cover Covid 19.</p> <p>The policy is reviewed by the Finance and Administration Committee.</p>	
Risk of damage to third party property or individuals as a consequence of the Council providing services or amenities to the public	Possible	Moderate	Medium	Staff, Hirers, children, elderly	<p>£10 million public liability cover held. Contractors provide evidence of appropriate insurance cover and a risk assessment if appropriate.</p> <p>Policy and Conditions of Hire are regularly reviewed to try to mitigate risk. Hirers are asked to provide evidence of insurance where appropriate. There are fire alarms and intruder alarms in all buildings.</p> <p>Fire risk assessments are undertaken and reviewed annually and any issues actioned. Fire drills are undertaken at all buildings on an annual basis. Where necessary individual fire evacuation plans are requested.</p> <p>Health &amp; Safety Risk assessments are undertaken annually and any issues actioned. Equipment that may need attention is either removed or taken out of action.</p> <p>Caretakers undertake visual inspections and more regular inspections are carried out at least weekly.</p> <p>There are annual PAT tests and electrical testing.</p> <p>Emergency lights are tested monthly.</p>	



Risk of loss through terms of contracts or leases.	Unlikely	Negligible	Low	Council, residents	Contracts and leases are under frequent review. Checks are made on contractors whilst they are carrying out their work or after the work has been done to ensure that the Parish Council has received what it has paid for or that the service has been satisfactory. There is regular monitoring of the performance of suppliers, providers and contractors in terms of value for money and being appropriate for the needs of NHPC.	
Risk of loss through terms of contracts or leases (cont.)					Leased items are covered by insurance. Leased items are serviced and kept in good working order.	
Trading units - Community venues and Multi Courts - lack of effective management leading to financial loss	Unlikely	Moderate	Medium	Council, residents	<p>There is use of a computerised booking system for maintenance of effective processes. Invoices are generated electronically monthly.</p> <p>All receipts are banked promptly. There is a credit control system in place. Hire charges are reviewed annually.</p> <p>The Policy and Conditions of Hire in relation to the Parish Council is reviewed every 2 years. Venues are marketed through the Parish Council website, Horsham Pages (North) promotion of events etc.</p> <p>There is a clear management structure in place. The Property Committee make decisions relating to the community venues and multi courts. There is a clear reporting system of work required and work undertaken. The Deputy Clerk maintains comprehensive maintenance schedules and calendars of work.</p> <p>Financial reporting on financial performance is undertaken every month.</p>	

Trading units - allotments lack of effective management leading to financial loss	Unlikely	Moderate	Medium	Council residents	<p>There are records of allotments holders and a waiting list. Allotments are offered to the person who has risen to the top of the waiting list. A recorded inspection of the allotments is undertaken monthly during the growing season and bi monthly during the winter. If communal pathways are not maintained, rules are contravened or there are other issues that may cause a nuisance to others, the plot holder is notified, and they are given the opportunity to rectify it.</p> <p>A review of Rental agreements and site rules is undertaken once every two years. A review of rents is undertaken annually.</p> <p>An allotment report is given to the Property Committee annually.</p> <p>The Parish Council holds a lease with West Sussex County Council for Harwood Road allotments. The lease is usually for five years, and the latest one was taken out in 2024. The site is administered by the Harwood Road Allotment Association (HRAA).</p> <p>The trees are the responsibility of WSCC, but they are inspected visually by NHPC periodically. The HRAA has agreed to maintain the perimeter fence.</p> <p>There is an opening from Leechpool School to the allotments which should be kept locked and secure at all times. The school is aware of the situation.</p>	
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Legal liability as a consequence of asset ownership (public liability)	Unlikely	Moderate	Low	Public, staff Council	<p>NHPC holds land registry documents for the land it owns and has a comprehensive asset register. Property is valued every five years for insurance purposes.</p> <p>Land and property is inspected regularly and there are annual risk assessments. Any issue that is found is actioned.</p> <p>There is £10 million public liability cover.</p>	
<p>Devolution</p> <p>There is potential under the Localism Act 2011 to introduce capping to the precept level through a referendum system that currently is in place for principal authorities. Whilst it does not apply to Parish Councils at the moment legislation could be brought in the future.</p> <p>As Principal Authorities experience cuts in funding and corresponding cuts in service, it is likely that pressure will be exerted on local communities to make up the difference.</p>	Likely	Moderate	Low	Council, residents	<p>The Parish Council exercises tight control on its finances through Financial Regulations, policies, budgeting, budget monitoring and internal controls. There is a comprehensive system of inspection of assets and a process for setting aside reserves that cover depreciation of assets has been introduced.</p> <p>There are opportunities to take responsibility for local assets but this would be subject to a business case being put to the Council for agreement.</p> <p>Close reviews of finance on at least a bi-monthly basis alerts the Council to any issues that may arise.</p> <p>The Parish Council explores ways to work in partnership to safeguard services for the community, whilst having minimal impact on the precept.</p>	

General Reserve - recommended between 3 to 6 months net expenditure.	Possible	Moderate	Medium	Staff Residents Council	<p>The Parish Council monitors its General Reserve on a regular basis and specifically during the budget setting process. At the end of the 2024/25 Financial Year the reserves were considered adequate by the Internal Auditor at circa £280,000 before Earmarked Reserves in the budget had been allocated.</p> <p>Following any unexpected event where the general reserve has been reduced, NHPC should try to increase the general reserves as carefully as possible.</p>	
GDPR - leak of sensitive information.	Possible	High	Medium	Staff. Councillors/ Council	<p>A GDPR Audit was undertaken in 2018 and any areas of concern were addressed. This was reported to the F&amp;A Committee.</p> <p>In light of changes to Assertion 10 of the AGAR in 2025/26 Council has agreed to engage the services of Breakthrough Communications to assist the Council with a review of its data retention and policies/procedures.</p> <p>Those working from home are aware of the need for maintaining safe systems for personal data. Should there be a leak of sensitive information there could be a high financial cost to the Council as it may require investigation of large numbers of records.</p> <p>All staff and some Councillors have undertaken training. Councillors are made aware of confidential issues. Personal information is redacted before documents are circulated.</p>	

<p>Proper document control. Loss of important records Hard copies Electronic copies</p>	Possible	Moderate	Moderate	<p>Council, Residents, Staff</p>	<p>The Parish Council has adopted a standard document control Policy taken from NALC. Staff are aware of it and have signed to say that they have read it.</p> <p>Records are kept electronically where possible. These records are backed up regularly off site. Support is available to restore electronic records. Hard copies of documents are stored according to the Document Control policy and shredded when disposal is necessary.</p> <p>Where information is not available new information is being gathered.</p> <p>Confidential records are kept in a locked cupboard</p>	
<p>Communication Residents must have the opportunity to speak at Parish Council Meetings, make comments to the Parish Council and inspect the annual accounts. The Council must be open and transparent. Communication Residents must have the opportunity to speak at Parish Council Meetings, make comments to the Parish Council and inspect the annual accounts. The Council must be open and transparent (cont.)</p>	Moderate	Moderate	Moderate	<p>Residents Council</p>	<p>A timetable of key financial events has been adopted by the Parish Council. Compliance with Electors rights as indicated by the external auditors is acted on. Accounts will be available from late August to October each year Notices relating to meetings are displayed on 9 notice boards and on the Parish Council website. Minutes of meetings are placed in the public domain giving full access to electors. The Parish Council has a published complaints procedure. Members of the public can email staff and there is an answerphone for messages. Staff have access to mobile phones. Members of the public can join meetings</p>	.

Response to consultations not undertaken	Unlikely	Negligible	Low	Residents Council	Working closely with Horsham District Council (HDC), West Sussex County Council, WSALC and SLCC ensures that consultations are flagged up. The Council are given the opportunity to comment. The Parish Council consults with the community to ascertain views on key issues.	
Register of Members Interests not undertaken or kept up to date	Unlikely	Moderate	Medium	Councillor Council	New Councillors are reminded to complete their declarations of interest within 28 days of taking office. Declarations of interest are notified to Horsham District Council and a copy kept in the Parish Office. Members Interests are displayed on the Parish Council website. Members are reminded periodically to keep details up to date. It is the responsibility of the Member to update their Register of Interests.	To attend any training offered on the Code of Conduct
Code of Conduct - not being up to date	Unlikely	Negligible	Low	Council	The Parish Council's Code of Conduct is based on the document adopted by HDC. There are scheduled bi-annual reviews of the document to ensure that it remains up to date and fit for purpose. HDC notify any changes they make to their Code of Conduct to the Parish Council.	
Code of Conduct - not being up to date (cont.)					There is a regular slot on the agenda for Councillors to declare their interests. Members can gain advice from the Monitoring Officer at HDC if they have any concerns regarding their interests. Officers check with the Monitoring Officer at HDC if there is any concern that may need further guidance.	
North Horsham Friendship Club - lack of sustainability	Unlikely	Moderate	Low	Residents Council	Funded by a grant from the Parish Council and subscriptions. Supported by a staff member.	

<b>STAFF</b>						
Staff Contracts - out of date	Unlikely	Negligible	Low	Staff Council	There are annual staff appraisals and review of contracts.	
Staff performances not monitored or reviewed.	Unlikely	Moderate	Medium	Staff Council	Appraisals are carried out annually. Regular meetings are held with line managers. Two way dialogue is encouraged so that issues can be dealt with promptly and efficiently.	
Loss of key personnel.	Possible	High falling to Moderate	Medium	Staff Council	Depending on the circumstances, the initial impact could be high. Whilst staff are able to provide short term cover for illness and holidays, there would not be sufficient capacity to provide anything more than temporary cover. Providing more staff has a financial impact. The best way to mitigate the risk is to keep good relationships with the staff and to encourage them to discuss long term plans if they affect their work positions. There are guidelines of what to do should there be unexpected loss of personnel, the main being recruitment as quickly as possible.	
Employment law - contravention	Possible	Moderate	Medium	Staff Council	NALC model contracts are used and advice sought from WSALC, HR consultants and/or ACAS before any issue is addressed.	
Child protection - contravention	Unlikely	Negligible	Low	Residents, Council	Staff do not come into contact with young people alone.	

<b>COUNCILLORS</b> Acting outside of their role.	Possible	High	High	Councillors/ Council/ staff	Councillors have a wealth of information to help them understand their role including the Good Councillor Guide, information on the Parish Council website, access to NALC and SALC and to training courses.	Councillor training is encouraged.
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