

PARISH COUNCIL RISK ASSESSMENT

Mission Statement of Parish Council:

To provide services for, the management and maintenance of the assets of the village of South Hykeham, within the law, and the resources provided by the annual precept and other incomes and obtaining value for money.

Aims	Risk	Method used to Minimise Risk	Person(s) Responsible	Level of risk
1 To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.	1 Lack of knowledge and regulations and codes.	Ensure that all Councillors have received a copy of relevant Acts, Code of Conduct, and Standing Orders. The Clerk must have a Register of Interests from each Councillor which must be updated within 28 days of any change. Provide training where possible. Clerk to check annually that current legislation is provided to members	Chairman Clerk	Medium (training to be undertaken) Low
	2 Office copies of documents are not current	Clerk to check annually that current legislation is provided to members	Clerk	Low
	3 Absence of standing orders	Ensure that Standing Orders are produced, understood by councillors and reviewed once per year.	Chairman Clerk	Low
	4 Lack of commitment to regulations and procedures.	Regular reference to appropriate policies Delegation of responsibilities to individual councillors.	Chairman Clerk	Low
	5 Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	Ensure that all councillors are aware of regulations of full tender procedures, as in Standing Orders/Financial Regulations. Introduce practice of tenders for all purchases over the agreed figure as set out in Standing Orders/Financial Regulations.	Chairman Clerk	Low Low
	6 Payments made without prior approval and adequate control.	Ensure all payments are approved in Council meetings and recorded in the minutes, as payments of accounts. Cash payments made from Petty Cash as agreed figure in Standing Orders/Financial Regulations.	Chairman Clerk Chairman Clerk	Low
	7 Lack of control of payment signatories. 8.Lack of security of authentication cards/debit cards/passwords etc 9. Lack of control of electronic payments and transfers	Keep authorised signatories to a minimum of four. All signatories & clerk to be vigilant about security/clerk to check bank statements regularly for unusual activity on accounts. All payments to be approved in Council meetings and recorded in the minutes as payment of accounts.	Chairman/Clerk Clerk/ Signatories Chairman/Clerk signatories	Low Low Low

2. To identify and regularly review the Council's priorities	1 Lack of knowledge of how to set objectives, set priorities, and identify risks to their achievement.	All Councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.	Clerk/Chairman of relevant committee All Members	Medium (Training required to minimise risk)
	2 Lack of commitment by council members	Add risk assessment to agenda annually, reviewing particular items and results against those items.	All Members	Low
	3 No risk analysis carried out.	As at 1 above. Ensure that completion of the risk assessment is given high priority, as is a requirement of the Audit Commission	All Members All Members	Medium (Training required to minimise risk)
	4 No steps taken to combat identified risks	As at 2 above	All Members	Low (training undertaken)
3. To form a partnership with other council and government organisations in order to achieve adequate communication and information	1 Lack of effective lines of communication with other organisations.	Develop all communication lines which are essential or may be beneficial and make information available to all councillors Establish contacts by name and where possible face-to-face	Chairman Clerk	Low
	2 Lack of effective lines of communication with parishioners.	Take every opportunity to publicise role of Parish Council. Effective use of Notice Boards, website and "fliers". Use key issues to raise profile of PC and test parishioner's views.	Chairman/ Clerk/ Councillors	Low
	3 Lack of preparation on subjects requiring information.	Ensure that all councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion.	Chairman	Low (training/ meetings/internet)

4 To keep appropriate books of account accurately and up-to-date throughout the financial year.	1 Lack of knowledge of accounting requirements.	Ensure that all councillors are familiar with current financial regulations and include them in financial regulations of council and standing orders. Regularly review standing orders/financial regulations.	RFO	Low
			RFO	Low
		Appoint a Responsible Finance Officer (RFO), (the Clerk) to take overall responsibility for financial management. Have a councillor who is able to step in the event that the clerk/RFO becomes incapacitated.	RFO	Low
	2 Lack of commitment to accounting requirements.	RFO to produce financial reports at least every quarter. Internal audit reports to be made available to all councillors and any recommendations to be considered.	RFO	Low
		RFO to carry out regular inspection of books of accounts.	RFO	Low
	3 Bank charges unnecessarily incurred	Internal audit to be undertaken at least once a year during the current financial year.		
	4 Failures and inaccuracies in recording amounts, totals in books of account, and bank reconciliations.	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated.	RFO	Low
	5 Inaccuracies and interest losses caused by account transfers.	Regular internal audits to advise on internal controls required.	RFO	Low
		Keep number of accounts to a minimum but ensure that any large credit balances are deposited in a higher interest bearing account.	RFO	Low
	6 The most beneficial interest terms not being employed.	Bank account provision to be reviewed annually against alternatives, but bearing in mind the risks in changing accounts.	All Members	Low
			All Members	Low
	7 Inadequate control of cash receipts and payments	Where cash payments and receipts are unavoidable, use a properly controlled petty cash account with a set maximum balance, as in Standing Orders with a limit on a single item of expenditure.	All Members	Low
	8 Books of account not kept up to date/invoices not posted promptly. Internal controls not in place or not operated Payments missed or delayed due to inadequate filing of invoices.	Regular checks by RFO and internal auditor. List of payment of accounts at all PC meetings. Budget reports to full council at least quarterly. Chairman or appointed Councillor to be familiar with all aspects day to day operation of financial matters. Effective budget planning process & training on setting budget	RFO/internal auditor	Low (training as necessary)
			All Members	Low
				Low
	9 Clerk taken ill or leaves without replacement	Creation of annual plan (precept) after consultation process. Chairman or appointed Councillor to be aware of all aspects of financial matters and proper procedures	All Members	Low

5 To ensure that payments made from council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the residents.	1 Use of funds not giving value for money	Effective financial management by RFO	All Members	Low
	2 Charges for use of facilities inadequate	Charges to be reviewed annually.	RFO	Low
6. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored and reserves are appropriate.	1 Lack of knowledge of budgetary process and Council regulations.	Place item on agenda to remind councillors of budget process (precept) and actions required. Responsibility for managing budgetary process managed between the Council members and RFO	RFO/ and all councillors Chairmen of Committees/RFO/ All members	Low
	2 Lack of commitment to budgetary process	Involve all councillors in budgetary process not solely the RFO	RFO	Low
	3 Calculation not in accordance with Council regulations	Checks by RFO and Internal Auditor	RFO	Low
	Inadequate internal controls with regard to monitoring expenditure	Financial and budget progress reports to all PC meetings	RFO	Low
	Reserves too low.	Regular review in accordance with statutory guidance	RFO/all members	Low
7. To explore all possible sources of income and to ensure that expected income is fully received.	1 Lack of knowledge and commitment to pursue all possible sources of income e.g. grants.	RFO, Chairmen of Committees/members to pursue together, grant sources.	All Members	Low
	2 Receipts not banked or not banked promptly	Regular checks by RFO Internal audit checks.	RFO/internal auditor	Low
	3 VAT claims not made promptly or made incorrectly	Ensure Clerk has appropriate and up-to-date VAT official publications. Regular checks by RFO/ Internal audit checks	Clerk RFO/ Internal auditor	Low (training) Low

8. To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with Council regulations and adequately monitored	1 Inappropriate rate of pay to employees Tax and NI arrangements not in accordance with regulations	Ensure employee regulations are available and understood by Clerk. Regular HMRC training to be undertaken. Checks by RFO - NJC Conditions of Service to be applied. Internal audit checks Checks by RFO	Chairmen of HR Committee	Low
	2 Amounts paid to contractors not in accordance with contract and inadequately monitored	Appoint councillor to monitor contract work as appropriate/ Internal audit checks	Clerk/RFO/ Appointed councillor	Low
9 To ensure that year end accounts are prepared on the correct accounting basis, on time and supported by an adequate audit trail	1 Lack of knowledge of Council regulations and procedures	Include financial regulations with Standing Orders Attend training seminars as appropriate.	All Members/RFO	Low
	2 Late or non-submission of annual accounts	RFO to monitor progress against timetable and report to PC meetings	All Members/RFO	Low
	3 Year end accounts not prepared, inaccurate or not in accordance with Council Requirements	Checks by RFO Internal audit checks	RFO/members/ Internal auditor	Low
10 To identify, value and maintain all the assets of the Parish Council and ensure that asset registers are complete, accurate and properly maintained	1 Lack of knowledge of assets of Parish Council	Ascertain and record all assets for which the Parish Council is responsible. Report to council annually and minute. Create permanent asset register and update as and when required.	Chairman Clerk	Low
	2 Assets lost or misappropriated	Establish who is responsible for security and maintenance of each asset. Members to keep close watch on assets in their vicinity Clerk to liaise with members and to ensure regular monitoring of location and use of assets.	Clerk/ All members	Low
	3 Inadequate or inaccurate valuation of the Council's assets	Arrange for annual review of valuations and arrange for professional valuation where necessary Internal audit checks	Full council/ Internal auditor	Low
	4 Asset register not established or inadequately maintained	Create asset register in accordance with Audit Commission requirements. Internal audit checks. Review annually.	RFO/internal auditor	Low

11 To comply with appropriate Government legislation including disability, racial, sexual equality, safeguarding children, Covid 19 and social distancing regulations in compliance with the legislations etc.	1 Lack of knowledge or failure to comply with applicable legislation	Clerk to have all appropriate legislation available Review liabilities and responsibilities periodically at PC meetings	Clerk/Council	Low
	2 Lack of public awareness of applicable legislation	Include, as appropriate, in any public consultations	Clerk/Council	Low
		Ensure that all current legislation and advice is held by Clerk	Clerk/Council	Low
12 To carry out adequate safety checks on all buildings, properties, and equipment for which the Council is responsible in compliance with Health and Safety legislation.	1 Lack of information on properties, buildings and equipment	Include in asset register all properties, for which PC is responsible	Clerk/Council	Low
	2 Lack of knowledge of safety requirements Lack of understanding	Ensure that all current legislation and advice is held by Clerk Place subject as item on PC, and or Committee meeting agenda at regular intervals. Risk assessment to be provided for all activities or events.	Clerk/Council	
	3 Lack of commitment to carrying out safety checks	Ensure that all current legislation and advice is held by Clerk Delegate responsibility for particular properties to appropriate committee		
13 Responsible caring employer within the law	1. Lack of compliance with employee legislation.	Job description and contract of employment. Professional advice to be sought if deemed necessary.	HR Committee/ Council	Low (employment training to be regularly undertaken)
	2. Failure to engage with the Clerk/employees and to consider their wellbeing and to identify opportunities for training and development within the role Signed	Conduct Annual Appraisal early November at the latest/offer opportunity for progression and training within the role Date.....	HR Committee/ Council	

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