

Haswell Parish Council
Risk Assessment 2016/17

May 2016

What is this document about?

We are aware that sometimes things happen to prevent us achieving our vision, aims and values. Obstacles can get in our way. Things can happen that with a little planning could be avoided or at least reduced. Sometimes we don't take advantage of opportunities because there are obstacles associated with them. They could relate to financial, political or environmental issues for example.

We call these obstacles 'risks.' This document sets out what we feel are our key strategic risks in the coming year and how we might tackle them.

What is risk management?

Risk Management is:

- Understanding what our risks and obstacles are;
- Considering the likelihood of them occurring;
- Looking to see what impact they might have;
- Deciding whether we can bear the risk or not;
- Looking to reduce, remove or transfer them; and
- Providing clear ownership of the risks.

We know that if we do not have effective management of risks we do not have effective management. As a pro-active Parish council we are moving to become more risk aware and are committed to managing our risks. We want to get the right balance between progressing innovation and change on one hand and avoiding shocks and surprises on the other. Risks can either be 'strategic' where they are crucial to the high level success of the Parish Council as a whole or 'operational' where they are crucial to specific activities or projects which contribute to the overall success of the Council. In this document we have reviewed the main risks in achieving our mission. We will regularly monitor risks and carry out a full risk assessment and management exercise annually.

HASWELL PARISH COUNCIL RISK ASSESSMENT

This document identifies risks, assesses likelihood and impact and includes an action plan for managing risks. Likelihood and impact have been assessed on a Low – Medium – High scale. Clearly those risks that record a High-High or Medium – High score require the most careful monitoring and review.

Aim	Risk	Likelihood/ Impact	Method used to Minimise Risk	Person(s) Responsible
1. Business Continuity	1. Incapacity of Clerk	Low/High	Designate a person to temporarily act as Clerk in an emergency	All Members
	2. Resignation of the Clerk	High/High	Undertake succession planning	All Members
	3. Loss or theft of records	Medium/ High	All minutes are held on the Council's website. All records are backed up weekly to a suitable electronic device	Clerk
	4. Failure to retain or secure the necessary number of Members for a Council	Low / High	Maintain an up to date attendance register. Advertise for an election immediately a vacancy exists. Co-opt Members where no election held	Clerk Clerk All Members
2. To ensure compliance with Acts of Parliament, Council's financial regulations and code of conduct	1. Lack of knowledge of regulations and codes.	Low / High	Ensure that all Councillors have available relative Acts. That a Code of Conduct, Standing Orders and Financial Regulations are in place. Highlight essential parts and provide training where relevant.	Clerk Chair
	2. Absence of standing orders.	Low / High	Ensure that Standing Orders are produced, adopted by Council, understood by Councillors and reviewed annually.	Clerk Chair

	3. Actions by the Parish Council outside its powers laid down by Parliament	Low /High	As at 2.1 above, but ensure that powers are extracted or highlighted into effective summary.	Clerk Chair
	4.Lack of commitment to regulations and procedures	Low /High	Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.	Clerk Chair All Members
	5. Items purchased without proper tendering procedures not providing value for money or resulting in accusations of commercial favouritism.	Low /High	Ensure that all councillors are aware of regulations re budgetary control and tender procedures. Introduce practice of estimates for all purchases over a figure agreed in financial regulations.	Clerk Chair
	6. Payments made without prior approval and adequate control.	Low /High	Ensure all payments are approved in Council meetings and recorded in minutes. Where prior payment is required, this is approved by the Chair or Vice Chair. Keep cash payments to a minimum and avoid if possible.	Clerk
	7. Lack of control of signatories to cheques.	Low /High	Three authorised signatories approved by Council	Clerk
	8. VAT not properly accounted for, resulting in overclaims and large demands from C&E.	Low/Medium	Ensure appropriate publications held and that Clerk has good knowledge of regulations.	Clerk Chair

	9. Notice of meeting.	Low/ Medium	A notice of meeting, including the agenda is placed on the notice board in the village and on the Council's website giving the required notice for each meeting.	Clerk
	10. Approval of minutes	Low/Medium	Minutes are approved at the next meeting of the Council. A copy of the minutes are displayed on the Council's noticeboard and on the website as soon as practicable after the meeting.	All Members Clerk
	11. Register of Interests	Low/High	Members are required to declare an interest in any item of business and this is recorded in the minutes. Completed 'Register of Financial & Other Interest' Forms are submitted to DCC Monitoring Officer and regularly reviewed.	All Members Clerk All Members
	12. Security of Data	Low/High	Confidential documents are held in a locked cupboard.	Clerk
	13. Freedom of Information	Low /High	The Council has adopted the model scheme and registered this with the Information Commissioner	Clerk
3. 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	Low/ Medium	All Councillors to be made aware of need for objectives and identification of risk. Agree objectives and priorities as part of Annual Report. Attend training sessions if practicable	Clerk All Members
	2. Lack of commitment by Council Members	Low/ Medium	Add risk assessment to agenda at least annually, reviewing particular items and results against those items.	Clerk Chair

	3. No risk assessment carried out	Low/ High	As at 3.1 above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission.	Clerk Chair
	4. No steps taken to combat identified risks.	Medium/High	As at 3.2 above.	All Members
	5. Failure to prioritise in practice	High/High	All councillors to be made aware that priorities must be set on the basis of the capacity of the Parish Council to deliver. Attend Training where appropriate.	All Members
	6.Impact of potential Public Spending Cuts	High/ High	All councillors to be made aware that priorities must be set on the basis of the capacity of the Parish Council to deliver. Attend Training where appropriate.	All Members
4. To influence Government and other organisations to fulfil the requirements of the Parish population	1. Lack of effective lines of communication with other organisations	Low/High	Note all communications lines that are essential or beneficial and make information available to Councillors. Establish contacts by name and where possible face-to-face.	Clerk
	2. Lack of effective lines of communication with parishioners	Low/High	Take every opportunity to publicise role of Parish Council through noticeboard, social media and website	Clerk
	3. Lack of preparation on subjects requiring influence	Low/High	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	All Members

	4. Lack of confidence by Parish Councillors	Low/Medium	As at 4.1 above Experienced Councillors to assist newcomers and provide relevant training where necessary	Chair
5. To ensure that all Councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks	1. Lack of knowledge of possible culpability of Councillors	Medium/High	Creation of standing orders and familiarisation with those where greatest risk occurs	Clerk
	2. Lack of education of Councillors regarding culpability	Medium/High	As at 5.1 above Delegate responsibility to one or two experienced Councillors to assist newcomers to understand culpability Attend any training courses availability	Chair All Members All Members
	3. Inadequate insurance cover taken out – property, personal liability, employers liability	Low/High	Review risk assessment by including on agenda of Parish Council meeting at least annually. Ensure a risk assessment is carried out for all new assets and appropriate insurance cover considered.	All Members All Members
6. To keep appropriate books of account accurately and up to date throughout the financial year	1. Lack of knowledge of accounting regulations	Low/High	Ensure that all Councillors are familiar with current financial regulations and include them in standing orders.	All Members
	2. Lack of commitment to accounting requirements	Low/High	As at 6.1 above Clerk to produce up to date financial reports at all meetings.	All Members Clerk Clerk

			Internal and External audit reports to be made available to all Councillors and any recommendations to be acted upon promptly.	
	3. Bank charges unnecessarily incurred	Low/High	Clerk to balance accounts against bank statements monthly	Clerk
	4. Inaccuracies in recording amounts, totals in books of account and bank reconciliations	Low/High	Clerk to ensure that books of account are formatted in such a way that internal controls are included and activated. Annual internal audits to advise on internal controls required.	Clerk Internal Auditor
	5. Bankings	Low/High	All bankings and drawing of cheques to be in accordance with Financial Regulations.	Clerk
	6. Inaccuracies and interest losses caused by account transfers	Low/High	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account.	Clerk
	7. The most beneficial interest terms not being employed	Low/High	Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.	Clerk
	8. Inadequate control of cash receipts and payments	Low/High	Avoid cash payments and receipts if possible. The Council do not hold petty cash. Any agreed items purchased will be reimbursed upon presentation of a valid receipt. A cheque will be issued to the person making the payment at the earliest opportunity.	Clerk
	9. Books of account not kept up to date/ invoices not posted promptly	Low/High	Regular weekly/monthly update of accounts by Clerk. Financial reports to all Parish Council meetings.	Clerk Clerk

	10. Internal controls not in place or not operated	Low/High	As 6.8 above	Clerk
	11. Payments missed or delayed due to inadequate filing of invoices	Low/High	As at 6.8 above. All invoices to be checked and filed as pending on receipt and reported to next Parish Council meeting.	Clerk
7. 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. Lack of knowledge of wishes of residents	Low/High	As at 3.2	All Members
	2. Lack of commitment to budgetary process	Low/High	As at 8.1 above Involve all Councillors in budgetary process not solely the Clerk.	All Members All Members
	3. Use of funds not in accordance with the wishes of the residents	Low/High	As 7.2 above Appointment of RFO (Clerk) to create effective financial management.	All Members All Members
	4. Charges for use of facilities inadequate	Low/Medium	Effective financial management and prompt collection by RFO. Internal audit checks.	Clerk Internal Auditor
	5. Fund raising not properly controlled or not in accordance with regulations.	Low/High	All Councillors to be aware of need to check regulations before commencing fund-raising activities Effective financial management by RFO	All Members
				Clerk

8. To ensure that the annual precept requirements 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	Low/High	Include regulations in Standing Orders issued to all Councillors Place item on agenda early in year to remind Councillors of budget process and actions required.	All Members Clerk
	2. Lack of commitment to budgetary process	Low/High	As at 8.1 above Involve all Councillors in budgetary process not solely the Clerk	All Members All Members
	3. Inadequate consideration of requirements for annual precept	Low/High	As at 8.1 above Start consideration of calculation at least 3 months prior to submission date	All Members All Members
	4. Calculation not in accordance with Council regulations	Low/High	Checks by RFO and Internal Auditor	Clerk
	5. Inadequate internal controls with regard to monitoring expenditure	Low/High	Financial and budget progress reports to all Parish Council meetings	Clerk
	6. Election Costs	Medium/High	In an election year, estimated costs obtained from the Electoral Officer and include in budget. In other years the Council provides a sum within its working balance to meet possible by-election costs	Clerk/All Members Clerk
	7. Reserves too low	Medium/High	As at 8.5 above	All Members

9. To explore all possible sources of income, and to ensure that expected income is fully received	1. Lack of knowledge of possible sources of income eg grants, funding streams	Medium/Medium	Work closely with local associations and residents groups to gain experience of all grants/funds available and application procedures	Clerk All Members
	2. Lack of commitment to pursue possible sources of income	Low/Medium	As 9.1	Clerk All Members
	3. Non receipt of sums claimed.	Low/Medium	All applications and approval reported through minutes to create an audit trail	Clerk
	4. Receipts not banked or not banked promptly	Low/Medium	Financial and budget progress reports to all Parish meetings. Internal audit checks.	Clerk Internal Auditor
	5. Debts not pursued promptly	Low/Medium	As at 9.3 above	Clerk
	6. VAT claims not made promptly or made incorrectly	Low/Medium	Ensure Clerk has appropriate and up to date official VAT publications. Financial and budget progress reports to all Parish Council meetings Internal audit checks.	Clerk Internal Auditor
10. 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	Low/Low	A contract of employment and job description and person specification is agreed for the Clerk Ensure employee regulations are available and understood by the Clerk Financial and budget progress reports to all Parish Council meetings. Terms and conditions are agreed in the minutes. DCC are contracted to carry out all elements of the payroll and pension service to ensure compliance with HMRC guidelines	All Members Clerk/Chair Clerk All Members

	2. Tax and NI arrangements not in accordance with regulations	Low/Low	No additional payment without Council approval. DCC carryout all transactions with HMRC in 'realtime' to ensure compliance	All Members
	3. Amounts paid to contractors not in accordance with contract and inadequately monitored	Low/Low	Liability reported through Council Minutes Internal audit checks As at 10.1 above Financial and budget progress reports to all Parish Council meetings. Internal audit checks.	Clerk Internal auditor Clerk Internal Auditor Clerk Internal Auditor
11. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by and adequate audit trail	1. Lack of knowledge of Council regulations and procedures.	Low/High	Include financial regulations in Standing Orders Attend training seminars where available	All Members
	2. Late or non-submission of annual accounts.	Low/High	Include a timetable in Standing Orders/Financial Regulations Financial and budget progress report to all Parish Council meetings	Clerk Clerk
	3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements	Low/High	Financial and budget progress reports to all Parish Council meetings Internal audit checks	Clerk Internal Auditor
	4. Inadequate audit trail from records to final accounts.	Low/High	As at 11.3 above	Clerk Internal Auditor

12. To identify, value and maintain all the assets of the Parish Council, and ensure that asset and investment registers are complete, accurate and properly maintained	1. Lack of knowledge of assets of Parish Council.	Medium/High	Ascertain and record all assets for which parish Council is responsible. Create permanent asset register and include in final accounts.	All Members Clerk
	2. Assets lost or misappropriated	Medium/High	Establish who is responsible for security and maintenance of each asset.	All Members
	3. Inadequate or inaccurate valuation of the Council's assets	Medium/High	Arrange for periodic review of valuations and arrange for a professional valuation where necessary. Internal audit checks.	Clerk All Members
	4. Asset register not established or inadequately maintained	Medium/High	Create asset register in accordance with requirements	Clerk
13. To comply with appropriate Government legislation regarding disability and racial equality	1. Lack of knowledge of applicable legislation	Medium/Medium	Clerk to have all appropriate legislation available. Review liability and responsibilities periodically at Parish Council meetings	Clerk All Members
	2. Lack of public awareness of applicable legislation	Medium/Medium	Include, as appropriate, in any public consultations.	All Members

	3. Failure to comply with applicable legislation.	Medium/High	As at 13.1 above	Clerk All Members
14. To carry out adequate safety checks on all buildings, properties and equipment for which the Council is responsible	1. Lack of information on properties, buildings and equipment.	Medium/High	Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties and assets for which Parish Council is responsible Ensure all assets and details of all risks are adequately detailed with insurance company.	Clerk Clerk Clerk
	2. Lack of knowledge of safety requirements or commitment to carrying out safety checks.	Medium/High	Ensure that all current legislation and advice is held by Clerk	Clerk

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