

**SHADINGFIELD, SOTTERLEY WILLINGHAM AND ELLOUGH
JOINT PARISH COUNCIL**

Review of risks and the measures currently adopted or recommended

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed.

- o Identify the areas to be reviewed
- o Identify what the risk may be
- o Evaluate the management and control of the risk and record all findings
- o Review, assess and revise if required.

Purpose:

The purpose of this document is to set out the risks that affect or might affect the Parish Council and to describe how such risks are addressed.

The purpose of the discussion is to record our consideration of these risks and recommendations. The need for this discussion is recommended by the Department for Communities and Local Government (DCLG).

Source of information:

The list of risks is based on the NALC/SLCC guidelines "Governance and Accountability in Local Councils in England and Wales – A Practitioners' Guide".

The risk weighting columns include columns for 'likelihood' (of an event occurring), (rated from 1 to 3), the 'impact' on the council if such an event occurred (also rated from 1 to 3) and the weighted total (a sum of likelihood x impact) which should prioritise our thoughts. The exercise has limited value in a Council of our size and complexity and is a higher level exercise. It is not intended to cover the risk of, say, using individual pieces of equipment.

Action required:

Please review this document in time for the Council meeting.

Consider if any other general or specific risks should be added to the list and if the measures are appropriate to the risks.

If you wish to suggest any changes please contact the Clerk.

Following discussion and resolution, the completion of the review will be recorded in the minutes.

Reviewed and Adopted at a meeting of the Parish Council held on 26 July 2023.

Next Review 2024.

Key to Likelihood, Impact and Total columns:

1: unlikely or low impact

2: likely or moderate impact

3: very likely/high impact

Total: the higher the number, the greater attention to be paid to mitigation of the risk

	Risk What may go wrong	Like- lihood	Impact	Total	Current Measures What we currently do about it	Potential Measures What else we ought to do
	1 Financial Risks					
1.01	Proper financial records are not maintained or are inadequate Financial irregularities remain undiscovered	1	3	3	1 The Council has Financial Regulations which set out the requirements and are reviewed regularly 2 The clerk informs the Council of income and expenditure and account balances at every meeting 3 A schedule of regular payments is maintained by the Clerk and regularly reviewed by the Council 4 Internal Audit review and testing of controls 5 Internal Audit standard financial review activity	Existing procedures are adequate
1.02	Bank and Banking Bank mistakes Loss of signatories	1	3	3	1 The Council has Financial Regulations which set out the requirements for banking, cheque issue and reconciliation of accounts 2 Bank statements are monitored and reconciled monthly. Mistakes are taken up with bank immediately. 3 Segregation of duties – the Clerk/RFO oversees and reconciles the account but has no authority to withdraw funds or make payments. 4 The bank will be advised promptly to remove a signatory when a councillor resigns from or leaves the Council 5 The Council will consider whether the remaining signatories are sufficient in number for proper conduct of business or whether a new signatory should be appointed from the remaining councillors 6 The Council will agree new signatories at the earliest opportunity and in accordance with bank requirements	Existing procedures are adequate

	Risk What may go wrong	Like- lihood	Impact	Total	Current Measures What we currently do about it	Potential Measures What else we ought to do
1.03	Inadequacy of the precept due to unsound budgeting arrangements Precept Income not sufficient Reserves not sufficient	1	3	3	1 The Clerk prepares a budget forecast based on analysis of previous year's performance and expectation of need which is presented to the October meeting of the council. Budget forecast is reviewed again in November or January for final submission to the District Council 2 The Clerk reports on income received at every meeting of the council. 3 The Council keeps a reserve of at least 50% of the annual precept as a contingency to cover for unexpected events. 4 Internal Audit standard financial review activity	
1.04	Requirements of VAT regulations are not met VAT repayments not claimed resulting in loss of income	1	1	1	1 The Council does not charge VAT. It is entitled to reclaim VAT paid on goods and services this is done regularly (at least annually) 2 Internal Audit standard financial review activity	
1.05	Lack of protection from insurable risks Cost Compliance	2	3	6	1 An annual review of insurance cover is undertaken by Council before the renewal date 2 Cost comparisons are undertaken to ensure value for money 3 Employer's liability insurance is in place 4 Council has adequate public liability and employers liability in place which is regularly monitored. The council uses tailored policies and brokers with specific Parish Council expertise 5 Internal Audit review of adequacy of insurance cover	
1.06	Loss of cash etc through theft or dishonesty (fidelity) or unauthorised expenditure	1	2	2	1 There are no cash payments or petty cash activity. 2 The clerk reclaims expenditure for items against a receipt 3 Internal Audit review of adequacy of insurance cover and management of finances by Clerk 4 Fidelity insurance with reputable companies	
1.07	Consequential loss (of income, or the need to provide additional services) following damage, or non-performance by a third party	1	1	1	1.3 Insurance with reputable companies 1.4 Undertake reviews – suitability of contractors 4.4 Internal Audit review of adequacy of insurance cover	
	2 Compliance Risks					
2.01	Requirements under employment law are not complied with	2	4	8	Carry out a risk based questionnaire on an annual basis Appraisal	

	Risk What may go wrong	Like- lihood	Impact	Total	Current Measures What we currently do about it	Potential Measures What else we ought to do
2.02	Requirements under HMRC regulations are not complied with Salaries and associated costs paid incorrectly Hours of work not completed Wrong and unpaid deductions of Tax and NI	1	3	3	1 Council sets salary levels and contract of employment with the clerk. Council agrees pay periods and amounts 2 The Clerk's hours of work are monitored by the Chairman 3 Tax and NI and issue of payslips are contracted out to a professional payroll service Regular reports on pay and deductions are made to the council 4 Internal Audit standard financial review activity	
2.03	Risks relating to the Clerk as employee of the Council and use of the Clerk's home as the offices of the Council.	1	3	3	Complete a risk questionnaire not less often than every four years.	
2.04	Contractual arrangements are not within legal powers Illegal activity or payments	1	2	2	1 All activity and payments within the power of the Council are resolved at full meetings and minuted as required by the councils standing orders 2 Standing orders and financial regulations re purchases, contracts regularly reviewed 3 Internal Audit review of minutes re decisions made	
2.05	Failure to maintain proper document control	1	2	2	Financial documents: Internal Audit standard financial review activity Other documents: Paper – lockable filing cabinet Electronic – regular backups taken	
2.06	Annual returns not completed or submitted late resulting in additional cost and/or criticism	1	2	2	1 The Clerk prepares the end of year accounts and submits to the internal auditor for checking and signing. Signed accounts are presented to the council during May of each year for approval and signing by the Chairman. The annual return is then sent to the External Auditor within the time limit	
2.07	Failure to comply with the Council's own financial regulations or those laid down by statute	1	2	2	1 Internal Audit report minuted and accepted at a council meeting, probably at the time of signing the Annual Return	
2.08	Failure to publish Minutes/Agendas/Notices, statutory documents Accuracy and legality Business conduct	1	1	1	1 Minutes and Agendas are produced promptly by the Clerk and adhere to the legal requirements 2 Minutes are approved and signed by the Chairman at the next meeting 3 Minutes and agendas are displayed according to the legal requirements 4 Business is conducted and managed by the Chair and complies with the Code of Conduct.	Existing procedure adequate Members are provided with copies of the code of conduct. Training programmes are available for Chair and new councillors through SALC.

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2.09	Failure to obtain Best Value Accountability Work awarded incorrectly Overspend on services	1	3	3	1 Council would seek, if possible, two or three quotations for work it wishes to be carried out. Regular review of contracts is carried out to ensure best value. Major work would be put out to tender. The clerk monitors all services against invoices received, and reports to the council. This is covered by the financial regulations.	
2.10	Inability or delay in responding to electors wishing to the exercise their rights of inspection	1	2	2	None Ad hoc response	
	3 Reputational Risks					
3.01	Business continuity Council not being able to continue its business Losing councillor membership Having 5 or more vacancies at any one time	1	3	3	1 Short term absence of the Clerk is covered by deputising. Long term incapacity of the clerk would be covered by councillors or a locum. 2 Council follows the procedure as required and monitored by the District Council Electoral Officer. If the council has 5 or more vacancies it becomes inquorate. The District Council will appoint members to the vacancies	
3.02	Late and/or inaccurate reporting of Council business in the minutes	1	2	2	[a] Minutes reviewed by Chairman (normally within two weeks) [b] Minutes available on website [c] Approval at next meeting	
3.03	Funds granted to community bodies under s137 or GPOC are not properly used	1	1	1	None - local knowledge	
3.04	Register of members interests and gifts and hospitality is not in place, complete or up to date.	1	1	1	1 Members are required to declare interests in any agenda item at the start of all meetings. These are recorded in the minutes. 2 Members are required to update their Register of interest entries and are reminded annually 3 Annual letter from Clerk to Councillors (may or may not be prompted by District Council)	
3.05	Failure to meet the laid down timetables when responding to consultation invitation (<i>also, in response to planning applications</i>).	1	2	2	Circulation of papers (either electronically or in hard-copy) with invitation to comment and return by the specified deadline	

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	4 Asset-related Risks					
4.01	Loss of or damage to physical assets (buildings, furniture, equipment, etc) <i>Notably the playground, defibrillator, seats, notice boards, bus shelter, war memorial, VAS and cemetery.</i>	1	3	3	1 An asset register is maintained and reviewed annually for the purposes of insurance. Insurance cover is reviewed annually 2 Assets are inspected regularly. 3 Regular documented inspections of the playground 4 Regular documented inspections of the defibrillator in accordance with manufacturer's requirements 5 Annual playground inspections by suitably qualified independent companies. 6 Review of inspections by the Council 7 Insurance with reputable companies 8 Internal Audit review of adequacy of insurance cover	
4.02	Damage or liability to third parties as a consequence of the Council providing a service (public liability)	2	2	4	1 Insurance with reputable companies 2 Internal Audit review of adequacy of insurance cover	
4.03	Injury to members of the public or contractors caused by unsafe memorial stones in the cemetery.	2	3	6	1 Annual inspection as part of the SCPT 2+2 arrangements 2 Further professional inspection where doubt arises 3 Public liability insurance cover	
4.04	Injury to members of the public or contractors caused by falling trees or limbs in the cemetery, the playing field or on other property for which the council is responsible.	1	3	3	1 Annual inspection 2 Further professional inspection where doubt arises 3 Public liability insurance cover	

Items not currently applicable
Risk relating to liability to employees etc (other than the Clerk)
Performance under partnership agreements is not monitored
Requirements for Quality Parish status or other accreditation are not met/maintained
Business activities are not within legal powers
Restrictions on borrowing are not complied with