

Great Gonerby Risk Management Assessment

Aim	Risk	Standard Methods used to Minimise Risk	Risk Management for Great Gonerby Parish Council	Comments	Status	Action Required	Impact		
							High	Medium	Low
1. To ensure compliance with the Acts of Parliament. Council's financial regulations and code of conduct.	1.1 Lack of knowledge of regulations and codes.	Ensure that all Councillors have copies of relevant Acts, Code of Conduct, and Standing and Financial Orders Highlight essential parts and provide training where possible.	* Code of Conduct, Standing and Financial Orders are published on the Parish website. * Legislation will be obtained when requested and/or required. * Appropriate training carried out on request. * Parish Council Training Register and Records document created	Code of Conduct to be signed & a copy in each Councillor's training log.	Done	None	Medium		
					On Going	None	Low		
				Every review of Parish Documentation Clerk and Councillors should be read, approved and uploaded onto website.	Live	Yes	Medium		
				Development PC training register and records document	Live	Yes	Medium		
	1.2 Absence of standing and Financial orders	Ensure that Standing & Financial Orders are produced, understood by councillors, and reviewed at least once per year.	* Standing & Financial Orders are reviewed and readopted at the May meeting every year.	Sign Off by each Councillor their understanding	Live	Yes	Medium		
	1.3 Actions by the PC outside its powers as set out by Parliament.	As at 1.1 above, but ensure that powers are highlighted or extracted into effective summary.	* All decisions taken in Parish Meetings. * Clerk to minute decisions and seek advice from LALC in the event of potentially legal issues.		On Going	None	Low		
					On Going	None	Low		
	1.4 Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.	* Clerk to minute decisions, referencing legislation where appropriate and seek advice from LALC in the event of potentially legal issues. * Specific Councillors may be invited to be Champions of certain elements of legislation depending on the needs of the Council.		On Going	None	Low		
				Currently with Chair & Clerk to 5 of 11 councillor seats are active; to be	On going	Yes	Medium		
	1.5 Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	Ensure that all councillors are aware of regulations re estimates and full tender procedures. Introduce practice of estimates for all purchases over an agreed figure.	* All financial transactions, including tendering and obtaining estimates, are carried out in accordance with the Council's Financial Regulations. * All purchases are agreed at the Ordinary Meetings and proper tendering processes are agreed on a case by case basis.		On Going	None	Low		
					On Going	None	Low		
	1.6 Payments made without prior approval and adequate control.	Ensure all payments are approved in Council meetings and recorded in minutes. Keep cash payments to a minimum, and avoid if possible. (Not applicable)	* All payments agreed in Council meetings and minuted. * There are no cash payments.		On Going	None	Low		
					Done	None	Low		
	1.7 Cheques are no longer in place. Authorisation of payments	Keep authorised signatories to a minimum of 4 but consistent with practicalities.	* There are currently four authorised signatories for the bank account. This may change where practicalities dictate.	Corporate authorization to be kept to a minimum of two only to include RFO and Chair.	Changes ongoing	Yes	High		
1.8 VAT not properly accounted for, resulting in over-claims and large demands from HMRC.	Ensure appropriate publications held and that RFO has good knowledge of regulations.	VAT is claimed quarterly from HMRC		Done	None	Low			
2. To identify and regularly review the Council's priorities.	2.1 Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievement.	All councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.	* There is currently no structured means of setting objectives or priorities. Events are addressed as they arise.	Develop Urgent Attention List to prioritise activities.	Live	Yes	Medium		
				Training log and records to be maintained.	to develop	Yes	Medium		

	2.2 Lack of commitment by council members	Add risk assessment to agenda at least quarterly, reviewing particular items, and results against those items.	* Risk assessment review is carried out annually and is considered adequate. The review is minuted.	Any new items will require an assessment as they arise	On Going	None	Low
	2.3 Business Continuity Disaster Recovery assessment (BCDR)	Review process, location and storage of PC documentation, archives, online and e-copy materials, develop strategies to ensure continuation in the event something goes wrong	*Review Documents & Archives - Hardcopy with Clerk/RFO & Memorial Hall cupboard. *Review Online & E-copy documentation with Clerk/RFO computer, backed up to PC MSC central drive. *Venue Loss *Multiple PC Officer Loss *Quorum failure *Bank Account Access Lost	Assessments and policy to be developed	Live	Yes	Medium
	2.4 No risk analysis carried out	As at 2.1 above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission	* Events are risk assessed as they arise and the results filed.		On Going	None	Low
	2.5 No steps taken to combat identified risks	As at 2.2 above.	* The fact that a risk assessment has been carried out for an event is minuted.		On Going	None	Low
3. To influence other council departments and Government organisations to fulfil the requirements of the Parish population.	3.1 Lack of effective lines of communication with other organisations.	Note all communication lines which are essential or beneficial and make information available to all councillors. Establish contacts by name and where possible face-to-face. Take every opportunity to publicise role of Parish Council. Create Parish newsletter if none exists. Use Notice Boards and "flyers".	* Clerk maintains a list of named appropriate contacts at LCC and SKDC (and elsewhere where necessary) * Face to face contact is not considered necessary. * The Parish owns one public noticeboard . * It also operates a website that can be updated at short notice to publicise newsworthy information. * The Council distributes flyers to households when necessary. PC use FB for any notices, etc	Contacts should be stored in MSC central drive	Live	Yes	Low
				As and when necessary.	On Going	None	Low
				Currently reviewing location for second noticeboard in addition to the one at Post Office	Live	Yes	Low
					Live	None	Low
		On Going	None	Low			
	3.2 Lack of effective lines of communication with parishioners.	Use key issues to raise profile of PC and to test parishioners' views. Add social event to occasional meeting. Create Annual PC plan and put to parishioners for comment.	. * Parishioners views are sought at the annual Open meeting, usually held in May. * Parishioners are able to contact the Chairman and Clerk by telephone and email which are published on the website. * There is no formal Annual Parish Council Plan for parishioners to comment on.		On Going	None	Low
					On Going	None	Low
				On Going	None	Low	
3.3 Lack of preparation on subjects requiring influence.	Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information.	* On any new initiative, the council meeting will nominate a councillor to champion the cause and will give guidance on how to proceed.		Live	None	Medium	
3.4 Lack of confidence by Parish Councillors	As at 3.1 above. Experienced councillors to assist newcomers to establish essential contacts. Delegate responsibility for specific contacts to individual councillors	* On any new initiative, the council meeting will nominate a councillor to champion the cause and will give guidance on how to proceed. Training on initiation & ongoing		On Going	None	Low	
4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.	4.1 Lack of knowledge of possible culpability of councillors.	Creation of standing & Financial orders and familiarisation with those where greatest risk occurs.	* Code of Conduct and Standing Orders are published on the Parish website. * Legislation will be obtained when requested and/or required.		On Going	None	Low
					On Going	None	Low

5. To keep appropriate workbook of accounts accurately and up-to-date throughout the financial year.	4.2 Lack of education of Councillors regarding culpability.	As at 4.1 above. Delegate responsibility to one or two councillors to assist newcomers to understand culpability. Attend any training courses available.	* Appropriate training carried out on request. *create training register and records		On Going	None	Low
	4.3 Inadequate insurance cover taken out – property, personal liability, employer’s liability.	Review risk assessment by including on agenda at least quarterly. Delegate responsibility for keeping up-to-date with insurance requirements to the RFO.	* Risk assessment review is carried out annually and is considered adequate. * RFO maintains insurance requirements up to date.	Develop training register and record	Live	Yes	Medium
	5.1 Lack of knowledge of accounting requirements	Ensure all councillors are familiar with current financial regulations and include them in the council’s Standing Orders. Regularly review Standing Orders. Appoint separate RFO (perhaps a councillor) to ensure another line of responsibility for financial management.	* Council Financial Regulations are available on the Council website and are reviewed annually. * Standing Orders reviewed annually. * Clerk is the RFO and all financial decisions are taken at the ordinary meetings. This is considered adequate.	Store records on MSC central drive	Live	Yes	Medium
	5.2 Lack of commitment to accounting requirements.	As at 1 above. RFO to produce financial reports at all meetings. Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly.	* The RFO produces a financial report for every meeting. * Internal audit reports are prepared annually and available to the councillors.	Store records on MSC central drive	Live	Yes	Medium
	5.3 Bank charges unnecessarily incurred	RFO to carry out regular inspection of books of account. Internal audit to be undertaken periodically during the current financial year.	* Currently the bank account does not carry charges. * An internal audit is carried out annually and available to the councillors.	Develop training register and record	Live	Yes	Medium
	5.4 Inaccuracies in recording amounts and totals in books of account. Bank reconciliations not carried out.	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required.	* A financial statement is prepared for every meeting * A spreadsheet covering year to date income and expenditure is kept up to date and prepared for every meeting. * Recommendations from the internal auditor are followed through by the Clerk/RFO.		On Going	None	Low
	5.5 Inaccuracies and interest losses caused by account transfers.	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account.	* There are six bank accounts.		On Going	None	Low
	5.6 The most beneficial interest terms not being employed.	Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.	* There are a number bank accounts * This state is reviewed in the Parish meetings as necessary if interest rates should rise significantly.	RFO to detail the function of each account and how they are used	Live	Yes	Medium
	5.7 Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum balance.	* No payments are made by cash. * No receipts of payment are made in cash.		On Going	None	Low
	5.8 Books of account not kept up to date/ invoices not posted promptly.	Regular checks by RFO and internal auditor. Financial reports at all PC meetings.	* There is no cash		Done	None	Low
	5.9 Internal controls not in place or not operated.	As at 5.8 above.			Done	None	Low
					Done	None	Low
					Done	None	Low

	5.10 Payments missed for various reasons	As at 5.8 above.			Done	None	Low	
	5.11 Clerk taken ill or leaves without replacement	Appointing separate RFO allows a further individual to be familiar with all aspects of financial matters	* There is no separate RFO. The Chair of the council has a good understanding of the financial management of the council.	Support Signature Agreement to be developed by Chair to maintain PC financial movements until authorised signatories are resolved	Live	Yes	High	
6. 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.	6.1 Lack of knowledge of wishes of residents.	As at 3.2	* The Parish Council does not normally undertake major financial projects; such matters are referred to the higher authorities: LCC or SKDC.		Done	None	Low	
		Ensure residents are consulted on all major financial issues	* Should there be high expenditure work required in the village not under the auspices of the higher authorities, the would be unusual so an extraordinary open meeting may be called to consult with the parishioners.		Done	None	Low	
			* Parishioners are notified of less critical expenditure at the annual open meeting in May.		Done	None	Low	
	6.2 Use of funds not giving value for money	Effective budget planning processes.	* An annual budget is prepared by the RFO and Chair and ratified by the council every year.		Done	None	Low	
		Creation of annual plan after consultation process.	* If, after consulting the parishioners, a further plan is required, this will be prepared as necessary.		Done	None	Low	
		Creation of outline 2/3 year plan.	* A 2/3 year plan will be prepared as and when considered necessary – i.e. for longer term expenditure projects.		Done	None	Low	
	6.3 Use of funds not in accordance with the wishes of the residents	As at 6.2 above.	*			Done	None	Low
		RFO to create effective financial management.	The annual internal audit process is considered adequate for control purposes			Done	None	Low
		Internal audit checks to cover consultation process.				Done	None	Low
	6.4 Charges for use of facilities inadequate.	Effective financial management by RFO.	* There are no facilities under the control of the Council to be charged for.			Done	None	Low
Internal audit checks.					Done	None	Low	
6.5 Fund raising not properly controlled or not in accordance with regulations.	All councillors to be aware of need to check regulations before commencing fund-raising activities.	* Fund raising outside the precept demand is not normally carried out (but see section 8 below)			Done	None	Low	
	Effective financial management by RFO.				Done	None	Low	
	6.6 Cyber / Banking Fraud Risk	The RFO will go through supplier verification . All payments made will have dual authorisation, authorised user awareness	* Current financial control procedures by the RFO and authorised users of the bank are sufficient		Done	None	Low	
7. To ensure that the annual precept requirement results from an adequate	7.1 Lack of knowledge of budgetary process and of Council regulations.				Done	None	Low	

budgetary process; progress against the budget is regularly monitored; and reserves are appropriate		Include regulations in Standing & Financial Orders issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required.	* Current financial control procedures by the RFO are sufficient to enable a realistic precept demand.		Done	None	Low
					Done	None	Low

	7.2 Lack of commitment to budgetary process.	As at 7.1 above Involve all councillors in budgetary process.	* An annual budget is prepared by the RFO and Chair and ratified after discussion at the meeting by the council every year.		Done	None	Low	
	7.3 Inadequate consideration of requirements for annual precept.	Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing initial budgetary process to RFO. Start consideration of need at least 4 months prior to submission date. Create annual and 2/3 yr plans to assist in process.	* Current financial control procedures by the RFO are sufficient to enable a realistic precept demand. * For longer term expenditure proposals a longer term budgetary plan shall be prepared by the RFO and Chair.	Finances are discussed at each Parish Meeting	Done	None	Low	
	7.4 Calculation not in accordance with Council regulations.	Checks by RFO and Internal Auditor.	* Current financial control procedures by the RFO and overseen by the internal auditor, annually, are sufficient to enable a realistic precept demand.		Done	None	Low	
	7.5 Inadequate internal controls with regard to monitoring expenditure.	Checks by RFO and Internal Auditor. Financial and budget progress reports to all PC meetings.	* A financial statement is prepared for every meeting * A spreadsheet covering year to date income and expenditure is kept up to date and prepared for every meeting. * Recommendations from the internal auditor are followed through by the Clerk.	Balance sheet expenses to budget would be more efficient review approach	Done	None	Low	
	7.6 Reserves too low.	As at 7.5 above	* There is no trigger to say what may be a too low reserve. With current levels of expenditure this is not considered necessary at this stage. * The level of reserve is examined at every meeting.	Parish Council sustainability and Continuity review to be done and calculated	Done	None	Low	
	8. To explore all possible sources of income, and ensure that expected income is fully received.	8.1 Lack of knowledge of possible sources of income e.g. grants.	Appointed Grants Officer in place and to gain knowledge of all grants available and application procedures.	* Grants are applied for when opportunities arise and published via various official newsletters from LCC, SKDC and elsewhere. * Opportunities are suggested by the RFO and any other councillors at the meetings when they are discussed and a decision made on whether to proceed. * Individual grants are applied for in accordance with the rules laid down by the owner of the grant.		On going	None	Medium
		8.2 Lack of commitment to pursue possible sources of income.	As at 8.1.			On going	None	Medium
						Done	None	Low