

# Broadclyst Parish Council

## Risk Review January 2017

### Background

The greatest risk facing a Parish Council is that it is unable to continue its business as defined by law.

Managing risk covers dealing with financial matters, issues of health and safety, and ensuring that plans are in place to achieve the Council's objectives.

The failure to manage risks effectively can be expensive items in terms of litigation and reputation, and the ability of the Council to achieve desired targets. The Council has evaluated how likely it is that a risk is present in any activity and the potential consequences (financial loss, difficulties in meeting its legal obligations etc.) Some consequences may not have an immediate financial impact but could have an adverse effect on the Council's standing in the community.

The assessment of potential impact need not be any more complex than classifying each impact as *high*, *medium* or *low*. This assessment enables the Council to decide which risks it should pay most attention to when considering what measures to take to manage the risks.

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any and all potential inherent risks.

### Method

The Clerk reviewed the following areas of risk with the aim of:

- i. Identifying key risks facing the Council in achieving its objectives and priorities;
- ii. Evaluating the potential consequences to the council if an event identified as a risk takes place;
- iii. Deciding upon appropriate measures to avoid, reduce or control the risk and its consequences;
- iv. Publishing a plan for the review of systems and procedures.

The Parish Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. This document has been produced to enable Broadclyst Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

Subject	Risk(s) identified	H/M /L	Management/Control	Review/Assess/Revise
Precept	Adequacy of precept in order for the Council to carry out its Statutory duties	L	<p>Budget information is reported to the Finance Committee quarterly.</p> <p><b>Council committees submit an estimate of their requirements for the forthcoming year to the Finance Committee to support the committee in calculating the councils budget</b></p> <p>At the precept meeting Council receives a budget report, including actual position and projected position to the end of year and indicative figures or costings obtained by the Clerk.</p> <p>With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from East Devon District Council.</p> <p>The Clerk informs the Council when the monies are received.</p>	Existing procedure adequate.
	Precept requirements not submitted to the District Council.	L	The Clerk submits the figure in writing immediately after it is agreed by the Parish Council.	Existing procedure adequate.
Financial Records	Inadequate records	L	<p>The Clerk maintains a cash book listing all income and expenditure.</p> <p>The Clerk compiles all paperwork relating to monthly income and expenditure in an accounts file.</p> <p><b>In 2016 the Council purchased RBS Omega accounting software which minimises the risk of human error and has built-in calculations which immediately highlights any discrepancies</b></p>	Existing procedure adequate.

Subject	Risk(s) identified	H/M /L	Management/Control	Review/Assess/Revise
Grants	Receipt of grant	L	The Parish Council receives 2 regular grant payments in respect of contributions from the National Trust and District Council towards upkeep of the public toilets.	Existing procedure adequate.
Charges-rents receivable	Payment of rents	L	The Parish Council collects rent from the Broadclyst Allotment Association each year. The lease is renewed every 5 years.	Existing procedure adequate.
Grants and support payable	Power to pay. Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval/minuting, reporting, and third party checks by a non-signatory Member Council meets the criteria to use the General Power of Competence and has resolved that all payments are made under this Power of first resort.	Existing procedure adequate.
Bank and Banking	Bank / financial errors	L	All items are checked against the original bank statement and the account is reconciled each month	Financial regulations revised January 2016
	Loss through theft and dishonesty.	L	All payments are published on a monthly schedule at the same time as the Agenda before being approved at a Parish Council meeting. All cheques, BACS transfers and Direct Debit mandates are signed by 2 authorised signatories. A third party check is made at least bi-monthly. The Clerk is not an authorised signatory. Cheque books and bank cards are stored in the Parish Council safe. PIN codes are only known to individual signatories and are not stored with bank cards. Fidelity Guarantee	Existing procedure adequate.

Subject	Risk(s) identified	H/M /L	Management/Control	Review/Assess/Revise
Cash	Loss through theft and dishonesty	M	There is no petty cash or float. Cash payments are only received by the Administrator who has sole responsibility for banking the monies intact. Fidelity Guarantee	Invoices and receipts monitored quarterly and reported to Finance Committee.
Reporting	Insufficient Financial information	L	Financial information is a regular agenda item (Finance Report) and discussed/reviewed and approved at each meeting. The Council is presented with a monthly bank reconciliation, along with original bank statements.	Existing procedure adequate.
Auditing	Annual audit is not completed by the deadline.	L	The Clerk prepares the accounts for the Internal Auditor. The Internal Auditor returns the accounts for approval by the Parish Council at its meeting in May.	Existing procedure adequate.
	Annual audit is not advertised.	L	The Clerk places the notice of the audit on the noticeboard for the prescribed period of time. <b>A scanned copy of the notice is published on the Council's website.</b>	Existing procedure adequate.
	The Annual Return is not returned on time.	L	The annual return is presented to Council at the earliest opportunity for ratification. The Clerk ensures it is sent in time.	Existing procedure adequate.
Invoices	Goods not supplied but billed.	L	Invoices are paid only after receipt of the goods. <b>Where any 'up-front' payments are required this is done by way of a deposit or phased payment and is authorised by Council prior to payment.</b>	Existing procedure adequate. Percentage spend of budget on goods is low.

Subject	Risk(s) identified	H/M /L	Management/Control	Review/Assess/Revise
	Incorrect invoicing	L	Requests for goods/services are confirmed in writing, stating the agreed costs. The Clerk checks the invoices for accuracy and also checks the amount does not exceed that agreed by the Parish Council.	Existing procedure adequate.
	Unpaid invoices	M	The Parish Council raises very few invoices. The Clerk follows up any unpaid invoices monthly. Outstanding invoices are reported to the Finance Committee	Existing procedure adequate.
	Levy of charges		Where an invoice remains unpaid, the Council reserves the right to levy interest and/or administrative charges. This will be at the rate of XX% for interest and £xx for admin	
Contractors	Use of Contractors	L	The Council requires contractors to carry 3 <sup>rd</sup> party liability insurance cover, a copy of which is kept on file.	Existing procedure adequate.
	Failure to deliver a service	L	All contractors are paid in arrears so there is no financial loss. In the event of a contractor failing to fulfil a contract, the Council would seek an alternative in accordance with requirements under standing orders.	Existing procedure adequate.
Best Value	Charges to the Parish Council are too high.	L	The Responsible Financial Officer will obtain three estimates for any work undertaken by Contractors on behalf of the Parish Council, in accordance with Council's Financial regulations	Existing procedure adequate.

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Salaries	Salaries paid incorrectly.	L	The Clerk presents a monthly payment schedule to Council which itemises salaries and expenses (which are supported by receipts.) <b>Internal auditor ensures that HMRC deductions and pension contributions are properly administered.</b>	Existing procedure adequate, including a 3 <sup>rd</sup> party check of payments against original documents, and the checking of bank rec figures against original bank statements.
Minutes & Agendas	These are not lawful or accurate.	L	The Minutes are drafted and circulated within 2 weeks of the meeting. They are approved at the next Parish Council meeting. The Agenda is advertised in the prescribed manner the correct number of days before the meeting.	Existing procedure adequate.
Meeting locations	Adequacy Health & Safety	L M	The Parish Council meeting is held in a venue considered to have appropriate facilities for the Clerk, Members and the general public.	Existing procedure adequate.
Members Interests	Conflicts of Interest	M	Councillors have a duty to: <ul style="list-style-type: none"> <li>• declare any interests relevant to the Agenda items at the beginning of each meeting</li> <li>• submit requests for dispensations in accordance with the required interval prior to the meeting.</li> </ul> <p>The Register of Members Interests is held and maintained by the District Council and duplicated by the Clerk, with a copy published on the Council website. Councillors take responsibility to review their registration annually.</p>	Existing procedures adequate.  Members adhere to Code of Conduct  Members take responsibility to update register.

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Legal Powers	Unlawful activity or payments	L	All activity and payments within the powers of the Parish Council are agreed at the meetings The Council meets criteria to use the General Power of Competence.	Existing procedure adequate.
Insurance	Inadequate cover.	L	An annual review is undertaken prior to the renewal of the insurance policy, including 3 <sup>rd</sup> party risk.	Existing procedure adequate.
	Cost.	L	Three quotations were obtained for the most recent insurance review.	Existing procedure adequate.
Employers liability	Health and safety  Noncompliance with employment law	L  L	All employees to be provided adequate direction and safety equipment needed to undertake their roles  Advice on employment issues to be taken from the Devon Association of Local Councils or the Society of Local Council Clerks.	Monitor health and safety requirements and insurance annually. Existing procedure adequate.
	Fidelity Guarantee	L	The amount of Fidelity Guarantee required is reviewed annually to ensure that the insurance cover is sufficient.	Existing procedure adequate.
	Public Liability	L	Cover in all areas. Playground – weekly visual checks, quarterly operational inspection and an annual external inspection is carried out. Routine maintenance is recorded and repairs identified in the inspections are actioned.	Existing procedure adequate.  Action repairs according to risk
Data Protection	Non-compliance with data protection legislation.	L	The Parish Council is registered with the Data Protection Agency	Ensure annual renewal of registration

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Freedom of Information Act	Non-compliance with the Model Publication Scheme.	L	Council's Model Publication Scheme is published on its website, with hard copies available on request	Monitor any requests made under FOI
Assets	Risk/damage	L	An annual review of assets is undertaken for insurance cover. The asset register is updated when purchases are made.	Existing procedure adequate. Insurance reviewed annually.
Property	Risk/damage	L	Parish-owned/maintained properties (Sports Pavilions, Clyst room, Public Toilets) are attended regularly by staff. Any costs for repairs/maintenance work are subject to approval by the Parish Council. Bus stops are checked periodically by the Handyman The insurance is reviewed annually.	Existing procedure adequate.
Noticeboards	Risk/damage/roadside safety.	L	The Parish Council has 5 noticeboards. The insurance is reviewed annually. Any costs for repairs/maintenance work are subject to approval by the Parish Council.	Existing procedure adequate.
Boundary Signs	Risk/damage/roadside safety	L	The insurance is reviewed annually.	Existing procedure adequate.
CCTV	Damage to equipment Inadequate signage not in compliance with legislation	L L L	Equipment insured and maintained. Signage is checked by staff Only DBS staff have access to CCTV equipment The policy includes the process for external agencies and Police to obtain copies of data.	Existing procedure adequate. CCTV policy in place
Business Continuity	Disaster recovery risks	L	Secure data and information storage offsite using cloud-based storage.	Existing procedure adequate.



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Election	Costs of a contested election	L	High risk in election years	There are no measures which can be adopted to minimise the risk of having a contested election. Adequate funds
Council records – paper	Loss through: Theft Fire damage	L M L	The Parish Council’s current records are stored at the <b>Council’s Office</b> and archived documents in the attic at the Sports pavilions. Records include historical correspondences, minutes, insurance, bank records.	Damage (apart from fire) and theft is unlikely and so provision is considered adequate.
Council records – electronic	Loss through: Theft, fire damage or corruption of computer	L M	The Parish Council electronic records are stored on the Council laptop held with the Clerk at her home. Back-ups of electronic data is made at regular intervals. Cloud-based storage and Dropbox are used.	Existing procedure adequate.

Approved (date):

Minute ref: 17/

Signed: Chairman

Finance Committee Chairman: