

02 - Rothley Parish Council Risk Management and Financial Risk Management (previously 02 and 014 combined)

Review of the risks and the measures currently adopted or recommended 2021/2022

Purpose

The purpose of this document is to set out the risks that affect or might affect Rothley 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 NALC and the SLCC and is a requirement of an Intermediate External Audit.

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 includes columns for ‘likelihood’ (of an event occurring), (1= low to 3= high), the ‘impact’ on the council if such an event occurred (also rated 1=low to 3 = high) and the weighted total (a sum of likelihood x impact) which should prioritise our thoughts but has only limited value in some areas.

Action required

The Council reviewed this document at the meeting held on:21/xxxx

Following discussion and resolution, the completion of the review by the Council will be recorded in the minutes as signed below.

Reviewed and Adopted at a meeting of Rothley Parish Council on:xx/xx minute ref: 21/xxxx and will be reviewed again in 12 months.

Signed: _____ Chair of Rothley Parish Council

	Risk What may go wrong	Likelihood	Impact	Total	Current Measures What we currently do about it	Potential Measures What else we ought to do
1	Loss of or damage to physical assets (buildings, furniture, estates equipment, playground equipment, trees, paths on Council property and public seating	3	2	6	<ul style="list-style-type: none"> 1- Maintain Asset Register 2- Regular maintenance of assets 3- Insurance with reputable companies 4- Review insurance values 5- Ensure that fire equipment, fire and intruder alarms and CCTV are working, regularly maintained and service contracts are in place. 6- Internal Audit review of adequacy of insurance cover and controls 7- Part of the annual inspections by Councillors 8- Annual inspection by external professional bodies 9- Weekly inspections of the play equipment by the Caretaker 	
2	Loss of or damage to critical data and documents	1	3	3	<ul style="list-style-type: none"> 1- Data is backed up to the Cloud – Avast 2- Finance/Facilities and Epitaph software data is backed up nightly by IT Consultants AdvantEDGE 3- Critical paper documents are held in a fireproof cabinet 4- Admin files and folders are also on Cloud - Office 365 	
3	Damage to third party or their property as a consequence of the Council providing a service (public liability)	2	3	6	<ul style="list-style-type: none"> 1- Insurance (Public and Employer Liability Policies) with reputable companies 2- Internal Audit review of adequacy of insurance cover and controls 3- Weekly premises inspection 4- Annual gas appliance inspection 5- Bi-Annual electrical inspection (portable appliances) 6- Regular inspection and maintenance of assets, including safety equipment, playground equipment, trees and paths on council property. 7- Annual playground inspections by qualified contractors (ROSPA approved) 8- Regular inspections of headstones and similar structures as recommended by (ICCM) 	

					<p>9- Weekly inspections of play equipment by the Caretaker</p> <p>10- Monthly Emergency Lights tested in all Premises by the Caretaker</p>	
4	Legal liability arising as a consequence of asset ownership (public liability)	2	2	4	See 3 above	
5	Consequential loss (of income, or the need to provide additional services) following damage, or non-performance by a third party	2	2	4	<p>1- Insurance with reputable companies</p> <p>2- Undertake reviews as to suitability of contractors</p> <p>3- Copies of third-party Public Liability Insurance</p> <p>4- Internal Audit review of adequacy of insurance cover and controls</p> <p>5- To provide signage restricting certain activities that could result in causing damage</p> <p>6- IT provision and continuity</p> <p>7- Reserves Policy reviewed 20/5/2019 to be adhered to and maintained</p>	
6	Loss of cash through theft or dishonesty (fidelity)	1	1	1	<p>1- Office processes involve dual control and/or independent review</p> <p>2- Monthly bank reconciliations by the Clerk</p> <p>3- Bank reconciliations are checked and signed off by the clerk, each quarter a member other than the Chairman shall verify bank reconciliations.</p> <p>4- Bank mandate reviewed annually</p> <p>5- Insurance with reputable companies</p> <p>6- Internal Audit review of adequacy of insurance cover and controls</p> <p>7- Receipts are issued for all income</p> <p>8- Two signatures required on all cheque payments and on review of automated payments (e.g., direct debits)</p> <p>9- Petty cash is stored in a secure, locked cabinet with limited access of Office staff only.</p>	
7	Proper financial records are not maintained	1	3	3	<p>1- Proper arrangements exist for the approval of expenditure</p> <p>2- Budget monitoring statements are presented at each Council meeting</p>	

					<ul style="list-style-type: none"> 3- Office processes involve dual control and /or independent review 4- Monthly bank reconciliations of all accounts 5- Maintenance of asset registers 6- Internal Audit standard financial review activity 	
8	Failure to maintain proper document control	1	3	3	<ul style="list-style-type: none"> 1- Financial documents: Internal Audit standard financial review activity 2- Other documents See no. 2 	
9	Failure to comply with the Council's own financial regulations or those laid down by statute	1	3	3	<ul style="list-style-type: none"> 1- Internal Audit standard financial review is reported, minuted and accepted at a council meeting, normally at the time of signing the Annual return 	
10	Inadequacy of the precept due to unsound budgeting arrangements	2	3	6	<ul style="list-style-type: none"> 1- Internal Audit standard financial review activity 2- Full Council is involved in the setting of the budgets at two Council meetings, and they agree the precept setting in December or January of each year 3- Budget comparisons are presented at Council meetings 	
11	Failure to be able to operate in the event of the precept not being received on time	1	3	3	<ul style="list-style-type: none"> 1- To ensure that the NALC recommended best practice for a Council to have minimum of 40% of the annual precept figure. This is to enable the Council to be able to continue to operate and function in the event of any problems with lateness or non-receipt of the precept. 2- The Council's adopted Reserve Policy is reviewed and agreed annually. 	
12	Failure to comply with Health and Safety legislation	1	3	3	<ul style="list-style-type: none"> 1- Membership of local and national bodies such as LRALC, NALC and SLCC 2- Checklists and risk assessments of safety related activities are provided and maintained by the Clerk. 	

					<ul style="list-style-type: none"> 3- Staff receive relevant and work appropriate training on H&S 4- Caretaker undertakes monthly checks and Admin Assistant uploads all checks from paper reports to the Council PC system. 	
13	Failure to comply with Employment legislation	1	3	3	<ul style="list-style-type: none"> 1- Membership of local and national bodies such as LRALC, NALC and SLCC 2- Systems have been introduced to monitor sickness absence and holidays 	
14	Failure to comply with HMRC requirements	1	3	3	<ul style="list-style-type: none"> 1- Payroll work is contracted to professional specialists for PAYE and Pensions 2- Internal Audit standard financial review activity 3- The Clerk submits the payroll information and payments electronically to the payroll provider, all documentation is checked and signed by the Clerk and is then submitted for two Councillors to sign the payment off, this applies to PAYE and Pension Payments 	
15	Requirements of VAT registration are not met	1	3	3	<ul style="list-style-type: none"> 1- Office processes involve dual control and/or independent review 2- Internal Audit standard financial review activity 3- The Clerk diarises and the information is submitted online to HMRC , all documentation is checked and signed by the Clerk. 4- VAT Reclaimed or Paid is shown in the Financial Summary presented to the Council on a monthly basis 	
16	Council activities and contractual arrangements are not within legal powers	1	3	3	<ul style="list-style-type: none"> 1- Standing orders and financial regulations exist for purchasing and creation of accounts 2- Internal Audit review of minutes re: decisions made on expenditure 3- Measures have been put in place where the minute number (where applicable) is placed on the transaction to complete the audit trail prior to two Councillors signing the payment off 4- Ensure compliance with GPoC before embarking on new projects outside the normal realms of Parish Councils power to spend 	

17	Register of member's interests (ROMI) and Register of gifts and hospitality is not in place, complete or up to date	1	1	1	<ul style="list-style-type: none"> 1- ROMI is completed after elections and co-options and returned to the Monitoring Officer within 28 days of signing the Acceptance of Office. 2- Information is reviewed bi-annually, and the Monitoring Officer is updated 3- This is <u>the responsibility of Councillors</u>, not the Clerk and the failure to register interests could be seen as a criminal offence. The responsibility/risk is not the Council's or the Clerk's. 	
18	Late and/or inaccurate reporting of Council business in the minutes	1	1	1	<ul style="list-style-type: none"> 1- DRAFT minutes sent to review by Chairman normally within one week 2- DRAFT minutes are made available with the next agenda for that same meeting 3- Minutes are approved at the very next meeting 4- Published on the Councils website after Council/Committee approval 	
19	Failure to meet laid down timetables when responding to: <ul style="list-style-type: none"> (a) Consultation invitations (b) Planning applications 	1	1	1	<ul style="list-style-type: none"> (a) – Circulation of papers with invitation to comment and return by the specified deadline (b) Contents of the Planning Committee agenda is checked against the Borough Council's website 	
20	Inability or delay in responding to electors wishing to exercise their rights under Freedom of Information legislation	1	2	2	<ul style="list-style-type: none"> 1- The Councils Model Publication Scheme was adopted and is publicised on the website, which includes compliance procedure for FOI requests 	
21	Inability or delay in responding to electors wishing to exercise their rights of inspection	1	3	3	<ul style="list-style-type: none"> 1- This is a legal requirement of the external audit process and strict guidelines are adhered to by the Clerk to ensure that the Council complies. 	
22	Ensure adequacy of the Council's policies	1	3	3	<ul style="list-style-type: none"> 1- All Council Policies are reviewed when necessary and adopted by the Council 1- All policies and procedures are published on the Councils website 	
23	Business activities are not within legal powers	1	3	3	<ul style="list-style-type: none"> 2- The Council has Power of Competence to enable the Council to work outside the constraints of S.137, however, it is the Clerk's duty to remind 	

					Councillors that there are still constraints on spending public money and although this power is available to them, they should consider the public interest before exercising the right to use the power.	
24	Restrictions on borrowing are not complied with	0	0	0	1- Not currently applicable	