

**Risks & Controls (Draft prepared 0515)**

Subject	Risk(s) Identified	P	I	Management of Risk	Review/Revise/Assess	Action By
Precept	<ul style="list-style-type: none"> <li>▪ Adequacy of precept</li> <li>▪ Not submitted</li> <li>▪ Not paid by District Council</li> </ul>	L	H	<ul style="list-style-type: none"> <li>▪ The Parish Council regularly receives budget update information, and projects income &amp; expenditure for the following year, the net total of which is resolved to be the precept amount.</li> <li>▪ This figure is submitted by the Clerk or RFO following agreement of the precept at full council.</li> <li>▪ The Clerk informs Council when the monies are received.</li> </ul>	Existing procedures adequate.	
Grants – Receivable	<ul style="list-style-type: none"> <li>▪ Claims procedure</li> <li>▪ Receipt of grant when due</li> </ul>	n/a	n/a	<ul style="list-style-type: none"> <li>▪ Clerk checks grants available for projects considered, as and when required.</li> <li>▪ Checked and reported to Parish Council</li> </ul>	Existing procedures adequate. N/A at the moment	
Bank and banking	<ul style="list-style-type: none"> <li>▪ Inadequate checks</li> <li>▪ Bank mistakes</li> <li>▪ Loss</li> <li>▪ Charges</li> </ul>	M	L	<ul style="list-style-type: none"> <li>▪ The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.</li> <li>▪ Cheques require two signatures.</li> <li>▪ Electronic payments require two signatories in total and all but very urgent payments are pre-authorized</li> <li>▪ The banks accounts are reconciled monthly by the RFO and any errors made by the bank would be picked up. Cash flow is monitored by the Clerk monthly and by RFO when completing the reconciliations. Funds are transferred from the current account to the savings account and vice versa as appropriate.</li> </ul>	Financial Regulations reviewed annually. Bank signatory list reviewed regularly, especially after an election. Bank statements checked monthly.	

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Salaries and assoc. costs	<ul style="list-style-type: none"> <li>▪ Wrong salary paid</li> <li>▪ Wrong hours paid</li> <li>▪ Wrong deductions of NI or Tax</li> <li>▪ Unpaid Tax &amp; NI contributions to the Inland Revenue</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ The Parish Council authorises the appointment of all employees. Salary rates are assessed annually and applied from 1st April each year.</li> <li>▪ Overtime by the Clerk is authorised by the Chairman and that for the RFO by the Clerk.</li> <li>▪ Salary slips are produced by the RFO together with a schedule of payments to the Inland Revenue (for Tax and NI).</li> <li>▪ The Tax and NI is worked out using the HMRC's Basic PAYE RTI system and payment data is submitted monthly to HMRC once the payroll has been run.</li> <li>▪ All Tax and NI payments are submitted to the Inland Revenue quarterly when payroll is run.</li> <li>▪ The Clerk and RFO each have a contract of employment and job description.</li> <li>▪ The Independent Auditor pays particular attention to payroll transactions and checks that any variations in pay have been approved by the Council.</li> </ul>	Existing appointment and payment system is adequate.	
Employer's Annual Return	<ul style="list-style-type: none"> <li>▪ Submit within time limits</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ The Finance Officer completes the Employer's Annual Return online and submits to the Inland Revenue as soon as the final payroll of the year has been run.</li> </ul>	Existing procedure adequate.	

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Direct Costs / Overhead Expenses	<ul style="list-style-type: none"> <li>▪ Goods not supplied</li> <li>▪ Invoice incorrectly calculated</li> <li>▪ Cheque payable is excessive</li> <li>▪ Cheque payable to wrong party</li> </ul>	L  L  L	L  M  M	<ul style="list-style-type: none"> <li>▪ Clerk and RFO operate a purchase order system for one-off purchases.</li> <li>▪ The Clerk approves all invoices for payment before passing them to the RFO.</li> <li>▪ The RFO checks arithmetic and sets up the payment, be it by cheque or by online banking. Councillors check invoices and initial them before signing cheques and initialling cheque stubs</li> <li>▪ Online payments are pre-authorised, and initialled, at the monthly PC meetings and two persons (signatories) are required to process and authorise each payment.</li> </ul>	Existing procedure adequate.       This is a new area and the system may have to be modified in due course	To be reviewed 2015 and Clerk/RFO/Finance Committee to recommend adjustments to full PC
Cllrs Expenses	<ul style="list-style-type: none"> <li>▪ Cllr overpaid</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ Claim approved by Council, or in some cases by the TGR committee, in advance</li> <li>▪ Claim form checked and verified by Clerk before being passed to the RFO for payment</li> </ul>	Existing procedure adequate.	
Election Costs	<ul style="list-style-type: none"> <li>▪ Risk of cost from an election</li> </ul>	L	M	<ul style="list-style-type: none"> <li>▪ When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled.</li> <li>▪ Clerk check and verify, and consider budget A reserve is maintained to cover any unpredictable costs</li> </ul>	Existing procedure adequate.	

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VAT	<ul style="list-style-type: none"> <li>▪ VAT analysis</li> <li>▪ Claimed within time</li> </ul>	L	M	<ul style="list-style-type: none"> <li>▪ All items are listed in the cash book and verified by the RFO.</li> <li>▪ Returns are verified and submitted quarterly by the RFO.</li> </ul>	Existing procedure adequate.	
Best value accountability	<ul style="list-style-type: none"> <li>▪ Work awarded incorrectly</li> <li>▪ Overspend on services</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ The Council has Financial Regulations which set out the requirements. Normal Parish Council practice is to seek three quotations for any substantial work required to be undertaken or goods. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation, research the problem and report to Council.</li> </ul>	Existing procedure adequate.	
Reporting and auditing	<ul style="list-style-type: none"> <li>▪ Information</li> <li>▪ Communication</li> <li>▪ Compliance</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ A monitoring statement is produced regularly at each Council meeting which is distributed, discussed and approved.</li> <li>▪ Finance committee member audit quarterly and full internal audit annually, with a six-month review meeting in the interim period.</li> </ul>	Existing communication procedures adequate. Annual Internal audit is reported to the full Council.	
Reserves: General & Earmarked	<ul style="list-style-type: none"> <li>▪ Adequacy</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ Considered at budget setting and with year-end accounts.</li> <li>▪ General reserves maintained at approximately 50% of precept in line with PC Reserves Policy</li> </ul>	Existing procedure adequate. Policy to be reviewed annually by full PC.	
Assets	<ul style="list-style-type: none"> <li>▪ Loss, damage etc.</li> <li>▪ Risk or damage to third party property or individuals</li> </ul>	M L	M M	<ul style="list-style-type: none"> <li>▪ Asset register and insurance updated annually.</li> <li>▪ Periodic inspections carried out.</li> <li>▪ Annual review of Public Liability Insurance.</li> </ul>	Existing procedures adequate	

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Insurance	<ul style="list-style-type: none"> <li>▪ Adequacy</li> <li>▪ Cost</li> <li>▪ Compliance</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ An annual review, to ensure the cover is adequate but not excessive is undertaken (before policy renewal) of all insurance arrangements.</li> <li>▪ A three year agreement has been entered into to keep costs as low as possible.</li> <li>▪ Employers and Public Liability Insurance is a necessity.</li> <li>▪ Ensure compliance measures are in place.</li> </ul>	Existing procedure adequate. Review compliance.	
Maintenance	Poor performance of assets or amenities	L	M	<ul style="list-style-type: none"> <li>▪ A minimum of quarterly maintenance inspections are made by members of the TGR Committee of notice boards toilets, pavilion, bus shelter and the Memorial pavilion.</li> </ul>	Existing procedures are adequate and resulting identified work undertaken.	
Employees	<ul style="list-style-type: none"> <li>▪ Loss of key personnel</li> <li>▪ Fraud by staff</li> </ul>	M L	H L	<ul style="list-style-type: none"> <li>▪ As good practice, the Council should ensure Employee Guidelines are followed/reviewed.</li> <li>▪ The Clerk and RFO should have opportunity for training, reference materials, and access to assistance and legal advice required to undertake the role.</li> <li>▪ Insurance includes cover to provide temporary replacement of key personnel</li> </ul>	Existing procedures adequate. Purchase updated materials as required Maintain membership of SSLC/SALC Provide relevant training. Monitor working conditions and safety requirements regularly.	
Borrowing / Lending	<ul style="list-style-type: none"> <li>▪ Adequacy of finances to be able to repay loans</li> </ul>	n/a	n/a	<ul style="list-style-type: none"> <li>▪ Financial review and cash flow forecasting monthly.</li> </ul>	N/A – no current borrowing.	
Legal Powers	<ul style="list-style-type: none"> <li>▪ Illegal activity or payments</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used.</li> </ul>	Minuted.	

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Financial Records	<ul style="list-style-type: none"> <li>▪ Inadequate records</li> <li>▪ Financial irregularities</li> </ul>	L	M	<ul style="list-style-type: none"> <li>▪ The Council has Financial Regulations which set out all financial requirements.</li> <li>▪ The Clerk / RFO update records weekly, or as appropriate.</li> <li>▪ Annual internal audit and quarterly Finance Committee audits.</li> </ul>	Review Financial Regulations annually.	Clerk/RFO to update regulations and put before the Council each year
Minutes / Agendas / Notices Statutory Documents	<ul style="list-style-type: none"> <li>▪ Accuracy and legality</li> <li>▪ Business conduct</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ Minutes and agenda are produced by the Clerk and adhere to the legal requirements.</li> <li>▪ Minutes are approved and signed at the next Council meeting.</li> <li>▪ Minutes and agenda are displayed according to the legal requirements.</li> <li>▪ Business conducted at Council meetings should be managed by the Chair.</li> </ul>	Existing procedure adequate.	
Members Interests	<ul style="list-style-type: none"> <li>▪ Conflict of interest</li> <li>▪ Register of Members interests not being up-to-date</li> </ul>	L	L	<ul style="list-style-type: none"> <li>▪ The declaring of interests by members at a meeting should become a regular and obvious process.</li> <li>▪ Register of Members Interest forms should be reviewed regularly.</li> </ul>	Declaration of interests included on meeting agendas. Members take responsibility to check and update their Register and undertake training.	
Freedom of Information Act	Policy Provision	L	L	<ul style="list-style-type: none"> <li>▪ The Council has a model publication scheme in place. .</li> <li>▪ The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours but the applicant also has the right to resubmit the request broken down into sections.</li> </ul>	Monitor and report any requests made under the Freedom of Information Act - ongoing.	Council policy to be reviewed as 15 hours = 6.25 man days and impacts considerably on PC budget / Clerk hours.

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Council records - paper	Loss through theft/fire/damage	M	H	<ul style="list-style-type: none"> <li>▪ The Parish Council records are stored in the PC Office.</li> <li>▪ Records include historical correspondence, minute books and copies, deeds and leases, records such as personnel, insurance, salaries etc.</li> <li>▪ Recent materials are stored in locked metal filing cabinets. Historic records are archived at County archive.</li> </ul>	Most recent materials are also kept electronically.	
Council records - electronic	Loss through theft / fire / damage / computer corruption	M	H	<ul style="list-style-type: none"> <li>▪ The Parish Council's electronic records are stored on the PC's computer.</li> <li>▪ Back-ups of changes to the files are taken automatically each workday with a full back-up at monthly intervals.</li> </ul>	Back-ups to be kept off site where possible – Existing procedures to be reviewed	Chairman / Clerk / RFO