

POUNDSTOCK PARISH COUNCIL

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General Risk Assessment and Management

Every Council should have in place a system to help it manage risk. This system will be simple for the smallest Parishes and more complex for larger Parish and Town Councils. A Council's internal auditor may use this management system to help to identify what tests to carry out as part of the audit.

Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery. Most Clerks will already be assessing and managing risks in some way or other but there may be room to improve and document existing practices.

Members are ultimately responsible for risk management because risks threaten a Council's ability to achieve its objectives. The Clerk should therefore ensure that members should:

- Identify the key risks facing the Council
- Evaluate the potential to the Council of one of these risks taking place; and
- Agree measures to avoid, reduce or control the risk or its consequence.

Subject	Risks Identified	Risk Level H/M/L	Management control of risks	Annotations & Notes
Annual Return	Completion/Submission within time limits	L	Annual Return completed and signed by the Council, submitted to internal auditor for completion and signing then checked and sent to External Auditor within the specified time frame.	
Councillors	Losing Councillor membership or having more than 6 vacancies	L L	When a vacancy arises, there is a legal process to follow, either a by-election which is out of the Parish Council's control or into a co-option process. If there are more than 6 vacancies at any one time the Council becomes inquorate and the legal process of Cornwall Council appointing members takes place.	Existing procedures adequate Procedures of another body are adequate
Precept	Adequacy of precept in order for the Council to carry out its statutory duties Requirements submitted to Cornwall Council in time Amount not received from Cornwall Council	L L	To assist in determining the precept value the Council receives, on a quarterly basis, actual spend compared with budget in the current year. Precept should be considered by the Council before the deadline. The Clerk informs the Council when the monies are received (April and September)	Existing procedures adequate

Financial Records	Inadequate records financial irregularities	L	The Council has Financial Regulations which set out the requirements.	Existing procedures adequate. Annual review of Financial Regulations.
Bank and Banking	Inadequate checks	L	The Council has Financial Regulation which set out the requirements for banking, cheques and reconciliation of accounts.	Existing procedures adequate.
	Bank mistakes	L	The Clerk reconciles the bank accounts monthly via the statement, any irregularities are dealt with by informing the bank and awaiting their correction. Bank statements are monitored monthly.	
	Charges	L	Clerk ensures enough money is in the current account to cover the cheques and direct debits before the cheques are issued to avoid the account being overdrawn.	
	Internet Banking	L L L L	In line with Financial Regulations access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. The Clerk is the appointed Service Administrator. Two Councillors are authorised to approve transactions on the accounts. Any transactions to be carried out electronically must be agreed at the public meeting beforehand.	
Cash/Loss	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements. Cash/Cheques received are banked intact as soon as possible.	Existing procedures adequate

Litigation	Potential risk of legal action being taken against the Council	M	Public liability insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims – these cannot be insured against.	Annual review undertaken of insurance arrangements.
Reporting & auditing	Information Communication	L	Financial information is reviewed and approved under the Financial Statements agenda item at each meeting of full Council.	Existing procedures adequate.
	Compliance	L	All Councillors check the payments and receipts monthly and the quarterly audit.	Recommended.
		M	Regular internal audit checks undertaken by two Councillors.	
Internal Audit	Compliance with agreed procedures	L	The Council has appointed an independent internal auditor, who undertakes an audit annually.	
Grants & Donations	Power to pay Authorisation of Council to pay	L	All such expenditure is approved by full Council, minuted and recorded when payments are made using S137 powers of expenditure.	Existing procedures adequate.
		M	Grant application form to be submitted with any applications for a grant to keep records up to date.	Recommended.
Grants receivable	Receipts of Grants	L	The Parish Council receives an annual contribution from Cornwall Council for footpath maintenance (LMP/SWCP)	Existing procedures adequate.

Best Value Accountability Work	Work awarded incorrectly	L	The Council has adopted Financial Regulations which set out the requirements to achieve best value. The level of control varies with the value of individual contracts. If problems encountered with a contract the Clerk would investigate the situation and report to the full Council.	Existing procedures adequate.
	Overspend of services	M		
Salaries and Associated Costs	False employee	L	The Council authorises the appointment of all employees. The Clerk has a contract of employment. Salary rates are assessed annually by the Council.	Existing procedures adequate. Recommended – A closed session of a nominated Parish Council meeting.
	Salary paid incorrectly – Wrong rate paid Wrong hours paid	L		
	Wrong deductions of National Insurance/Tax	L	Salary and Inland Revenue payment slips are produced monthly and inspected at the monthly meeting of the Council. All Tax and National Insurance payments made are submitted in the Inland Revenue Annual Return.	Existing procedures adequate.
Employers Annual Return	Paying and accounting for NI and Tax employment salaries	L	Employer’s Annual Return is completed and submitted online to the Inland revenue.	Existing procedures adequate.
Councillor Allowances	Councillors over-paid Income tax deduction	N/A	No allowances are allocated to Parish Councillors.	No procedures required.

Election Costs	Risk of an election	H	The risk is higher in an election year but a by-election could be called for any casual vacancies. There are no measures which can be adopted to minimise the risk of having elections as this is the democratic process. When a scheduled election is due the Clerk will obtain an estimate of costs from Cornwall Council for a full election and an un-contested election.	Council should consider saving each year to cover all costs of allocate reserves.
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at the public meeting, as Financial Regulations prescribe.	Existing procedure adequate.
Minutes/Agendas/Notices Statutory documents	Accuracy and legality business conduct	L	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to legal requirements and best practice guidelines. Minutes are approved and signed at the following pubic meeting. Minutes and agenda are displayed according to legal requirements.	Existing procedure adequate.
		L	Business conduct at Council meetings should be managed by the Chair.	Guidance/Training to Chair should be given (if required) Members to adhere to Code of Conduct.
Members Interests	Conflict of Interest	L	Declarations of interest by members at Council meetings.	Existing procedure adequate.
	Register of Members Interests	M	Register of Members Interests forms reviewed regularly.	Members take responsibility to update their Register.

Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L L L	An annual review is undertaken of all insurance arrangements in place. Ensure compliance measures are in place.	Existing procedure adequate. Review insurance provision annually.
VAT	Re-claiming	L	The Council has Financial Regulations which set out the requirements.	Existing procedures adequate.
Data Protection	Policy Protection	L	The Parish Council is registered with the Data Protection Agency	Ensure annual renewal of registration
Freedom of Information	Policy Provision	L	The Council has a Model Publication scheme in place.	Monitor any requests made under FOI.
Assets	Risk of damage	L	An annual review of assets is undertaken for insurance provision	Existing procedures adequate.
Maintenance	Poor performance of assets or amenities Risk to third parties	L L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for any repair is actioned/authorised in accordance with the correct procedures of the Parish Council. Assets are insured.	Existing procedures adequate.

Meeting Location	Adequacy	L	The Parish Council meetings are held at Bangors Hall, the venue is considered to have appropriate facilities. Compliant with current legal requirements for Health and Safety.	Existing procedures adequate.
	Health and Safety	M		
Contractors	Lack of professionalism and non-compliance with law and practices	M	Follow procurement procedures as set out in Financial Regulations. Request copies of contractor's insurance, risk assessment and method statement	
Administration	Incomplete Register of Interests (Councillors)	L	Regular reminder to members. Code of Conduct training for members	Maintain existing procedures
	Business Continuity/Loss of Records	L	Back up files.	Maintain existing procedures
	Long term adverse impacts from poor decision-making. Reputational damage and loss of confidence	L	Adherence to adopt Standing Orders – Review annually	Maintain existing procedures
	Loss of Clerk	L	Unite Clerks in the Poundstock Ward to provide interim cover.	Clerk to action

Liability	Risk to third party, property or individuals	L	Public Liability Insurance in place Risk Assessments for properties and burial ground	Maintain existing procedures Recommended
Liability	Compliance with Law (Employment, transparency, FOI, etc.)	L	Membership of National Bodies NALC, CALC & SLCC Employer Liability Insurance in place Internal Audit Training for Clerk and Councillors as required.	Maintain existing procedures Action to comply resulting from internal audit report Continuous professional development essential