

**OTTERFORD PARISH COUNCIL
RISK ASSESSMENT**

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

A Parish Council is expected to carry out an annual risk assessment of financial and other risks it is exposed to, and identify any actions it considers necessary to minimise those 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.

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements. ***Audit Commission – Worth the Risk: Improving Risk Management in Local Government (2001:5)***

This document has been produced to enable Otterford Parish Council, based on a structured systematic approach and a recorded assessment, to assess the risks that it faces and take all practical and necessary steps to reduce or eliminate them, insofar as is practically possible.

The table details general risks that the Parish Council should consider, in the following way:

Subject	Identifies the subject
Risks Identified	Identifies what the risk may be
Risk Score	Identifies the level of risk
Management/ Risk Control	Evaluates the management and control of the risk and records findings
Review Date / Responsibilities	Reviews, assesses and revises procedures if required

The Risk Assessment is not necessarily exhaustive and can be amended and updated at any time at a Parish Council meeting: it will be reviewed annually at the March meeting.

FINANCIAL MANAGEMENT

NO	SUBJECT	RISK IDENTIFIED	H/M/L	MANAGEMENT/CONTROL OF RISK	REVIEW/ASSESSMENT/REVISE
1.	Funding	Adequacy of level of funding, and certainty of receipt of rent for Holman Clavel lease.	L L	1. The Parish Council receives an outline financial summary each month, and a fuller analysis quarterly. Adjustments can be made as required. 2. Regular contact maintained with tenant (no defaults for last 5+ years), bank account is checked every month to ensure payment made on correct day, and a £4250 rent deposit held. Failure to pay rent is a material default of the lease, and could allow it to be terminated.	1. Existing procedure is considered adequate. 2. Existing procedure is considered adequate. There will, however, be a need to act fast in the event of any future default.
2.	Financial Records	Inadequate Records, and/or financial irregularities	L	Financial Regulations (last reviewed in 2017) set out requirements. Specific arrangements in place to ensure Chairman/Clerk cannot jointly authorise cheque or electronic payment.	Existing procedure is considered adequate. Review Financial Regs every 2 nd year.
3.	Bank and Banking	Inadequate checks, bank mistakes, loss, charges	L	Financial Regulations set out requirements for banking and checks. Clerk/RFO checks and reconciles monthly statements, and undertakes regular online checks.	Existing procedure is considered adequate.
4.	Cash	Loss through theft or dishonesty (note: no petty cash or float held)	L	Financial Regulations set out requirements for cash – which can now be banked at local PO.	Existing procedure is considered adequate.
5.	Reporting & Auditing	Information Communication Compliance	L	Monitoring statement provided for each Council meeting (fuller information quarterly). Internal Auditor appointed, and works in accordance with proper practices – within deadline set. External auditor appointed by NALC – accounts sent within deadline, and relevant notices displayed.	Existing procedure is considered adequate.
6	Direct Costs, Overhead Expenses, Debt	Goods not supplied but billed, incorrect invoicing, cheque payable incorrect	L	Financial Regulations set out requirements for paying for works/services/items. No purchase actioned until agreed at Council meeting. Orders and payments, and incoming monies, checked regularly by Clerk/RFO. Invoices for approval are usually considered/actioned at Council meetings: exceptionally cheque or online payments made immediately if urgent. Two signatories are required for cheques/online payments.	Existing procedure is considered adequate. As a back-up to existing records; cheque counterfoils must be signed in future.

FINANCIAL MANAGEMENT (Cont)

NO	SUBJECT	RISK IDENTIFIED	H/M/L	MANAGEMENT/CONTROL OF RISK	REVIEW/ASSESSMENT/REVISE
7.	Grants Receivable	Receipts of Grants	L	Grants are only applied for after consideration and approval at a Council meeting. Grant payments awaited and received are reported to the Council monthly/quarterly.	Existing procedure is considered adequate.
8.	Grants Payable	Power to pay; authorisation to pay; payments made	L	The Council has an agreed grants payable policy and programme (reviewed every three years). Award of the contingency is considered and agreed at February meetings. Payments are reported to the Council monthly and quarterly.	Existing procedure is considered adequate.
9.	Charges – rentals payable	Late payment of charges – possible interest claim	L	Currently only applies to the Wayleave cost for permissory path to OPF, and the annual rental for OPF. Both diarised on Council annual calendar.	Existing procedure is considered adequate.
10.	Charges – rentals receivable	Late or non-payment of charges – possible financial problems for Council	L	Currently applies to lease payment from tenant of The Holman Clavel Inn – see Section 2.2 above.	Existing procedure is considered adequate
11.	Best value accountability	Work awarded incorrectly, overspend on works/services.	L	Grass Cutting and Parish Handyman Services are openly tendered, and term contracts awarded. For other expenditure the Financial Regulations require, on works in excess of £750, alternative quotations must be obtained unless the Council decides otherwise. If at any time expenditure in excess of £5000 is proposed on the execution of works the Council must consider the adoption of formal contracting procedures.	Existing procedure is considered generally adequate. Suggest wording for works over £5000 be strengthened to say 'must adopt'.
12.	Salaries and associated costs	Salary paid incorrectly. Wrong hours or wrong rate paid False employee Wrong deductions of NI or tax Unpaid tax or NI contributions to HMRC	L	The Council only has one part-time employee. Appointments are approved by the full Council, and annual assessment and other issues – as required – by the Personnel Sub-Committee. The Clerk has a contract of employment and JD. Payroll is currently outsourced, and for the current Clerk no tax or NI is payable.	Existing procedure is generally considered adequate. Suggest salary and pay-slip (provided by outsourced payroll company) is reported to each Council meeting.

FINANCIAL MANAGEMENT (Cont)

NO	SUBJECT	RISK IDENTIFIED	H/M/L	MANAGEMENT/CONTROL OF RISK	REVIEW/ASSESSMENT/REVISE
13.	Employees	<p>1. Loss of key personnel.</p> <p>2. Fraud</p> <p>3. Actions undertaken by staff</p>	<p>L</p> <p>L</p> <p>L</p>	<p>1. Temporary appointments can be made quickly (as currently if Clerk unwell): Councillors must also be prepared to assist.</p> <p>2. Regular monitoring against the Financial Regulations, monthly/quarterly monitoring, and end of year audits minimise possibility.</p> <p>3. Clerk has membership of SLCC, and advice/support available from NALC/SALC. Purchase of training and reference books/material agreed if required. Access to legal advice will be agreed if required.</p>	Existing procedure is considered adequate
14.	Councillor Allowances	Councillors overpaid; income tax deduction	L	No allowance is paid to Parish Councillors	No procedure required.
15.	Election Costs	Risk of election costs.	M	Could occur at any time if there is a contested casual vacancy. Risk is more acute in an election year (every four years). No measures can be adopted to minimise as this is a statutory democratic process.	Suggest prior to election years Clerk contacts TDBC to obtain current costs for contested and uncontested elections, to build into next year's budget
16.	VAT	Recording VAT paid, and reclaiming	L	VAT paid is recorded in the cash book, which is used as the source document for VAT claims – made annually.	Existing procedure is considered adequate
17.	Annual Returns	Submit within time limits.	L	Employee's Annual Return is completed and submitted to HMRC online by the outsourced payroll company. Annual Return approved by Council and submitted manually to Internal and External Auditors.	

ADMINISTRATIVE MANAGEMENT

NO	SUBJECT	RISK IDENTIFIED	H/M/L	MANAGEMENT/CONTROL OF RISK	REVIEW/ASSESSMENT/REVISE
18	Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstances	M L	1. All hard copy files and current records, and hard drive, are kept at the Clerk's home. Physical security and safety good. 2. Meetings held in Parish Hall – security good, HASAW checks, and Hall Committee about to install a fire alarm system.	Suggest purchase external hard drive: back up weekly. Store in separate building. 2. Chapel, Candlelight Inn, Holman Clavel Inn – are available in emergencies.
19.	Legal Powers	Illegal activity or payments	L	All activity and payments are resolved and minuted at Council meetings.	Suggest, where necessary, add details of which power used.
20.	Minutes/Agendas/Notices/Statutory Documents	1. Accuracy and legality 2. Business conduct	L L	1. Agendas and Minutes are produced by the Clerk, and adhere to the timing and legal requirements. Minutes are approved and signed at the next Council meeting. 2. Business conducted at Council meetings is managed by the Chairman.	1. Existing procedure is considered adequate 2. Existing procedure is considered adequate
21.	Members Interests	1. Conflict of interest. 2. Register of Member's interests.	L L	1. Members are required to declare any conflict of interest, on agenda items, at the start of each Council meeting. 2. Register of Member's interests is held by the Clerk, and a copy lodged with TDBC.	1. Existing procedure is considered adequate 2. Existing procedure is considered adequate
22.	Insurance	Insurance not in place, adequacy, cost	L/M	Property Owners Insurance for The Holman Clavel is tendered and reviewed annually: Council insurance is tendered and reviewed annually (longer if 2/3 year policy agreed) – both including a check on terms offered, at Council meetings.	Existing procedure is considered adequate
23.	Data Protection	Policy, provision	L	Registered with Data Protection Agency.	Check registration.
24.	Freedom of Information Act	Non-compliance with Act	L	The Council has a model publication scheme: and agreed charges for access/ copying. Requests for information/ outcome are reported to Council meetings.	Existing procedure is considered adequate
25.	Transparency and Accountability	Non-compliance with Local Audit & Accountability Act 2014	L	Required details are publicised, and posted online, in accordance with Act.	Existing procedure is considered adequate

ASSET (PROPERTY & EQUIPMENT) MANAGEMENT

NO	SUBJECT	RISK IDENTIFIED	H/M/L	MANAGEMENT/CONTROL OF RISK	REVIEW/ASSESSMENT/REVISE
27.	Assets	Loss or damage: Risk/damage to third party/property	L	The Asset Register is reviewed annually, and any amendments notified to the Council's insurers.	Existing procedure is considered adequate
28.	Maintenance	Deterioration; Poor performance of assets or amenities	L	Assets are reviewed annually, and any maintenance or replacement undertaken. Regular 6-monthly inspections are carried out at the Holman Clavel and the OPF.	Existing procedure is considered adequate
29.	Notice Boards	Risk/damage/injury to third parties, Road side safety	L	Parish Council has four noticeboards – only one is on the roadside, but possible for users to step onto grass verge. Boards are inspected regularly.	Existing procedure is considered adequate
30.	Defibrillators and Cabinets	Damage, theft Defibrillator not working	L	Parish Council has three defibrillators – all are locked with code obtained from 999 Ambulance Service. Defibrillators are inspected weekly and monthly – and pads and batteries replaced at recommended intervals - as required by manufacturer	Existing procedure is considered adequate
31.	Meeting Location	Adequacy: Health & Safety	L	See 1.2 above.	See 1.2 above.
32.	Council Records – Hard Copy	Loss through theft, fire, damage	L/M	See 1.1 above	See 1.1 above
33.	Council Records - Electronic	Loss through theft, fire, damage, or corruption of computer.	L/M	See 1.1 above	See 1.1 above