

WARMINGTON PARISH COUNCIL

RISK ASSESSMENT

PREAMBLE & GUIDANCE

Every Council should have in place a system to help it to 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 risk 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.

Every council is different and there is no such thing as a standard list of risks. There are however a number of common themes that are likely to emerge. These might include:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income, petty cash etc.
- Injury to the public – in playgrounds & recreation grounds, in village halls, at burial grounds etc
- Complying with legal requirements – agendas and minutes, burial records, etc
- Councillor propriety – declarations of interest, gifts and hospitality etc

The clerk needs to consider each of the possible risks under each of the identified schemes. For example physical assets could be lost as a result of fire or flood, damaged by vandals, stolen or simply deteriorate through lack of maintenance.

All these risks can be minimised or transferred by various means such as taking out insurance, securing alarms or by regular inspection and maintenance. In addition to identifying risk, it is a good idea to make a judgement about likelihood of the risk occurring and its potential impact. Classification need be no more complicated than high, medium or low. There are three main ways of managing risk:

- Take out insurance
- Work with another party to reduce the risk; or
- Manage the risk yourself.

Further information can be found in 'Governance and Accountability for Smaller Authorities in England– A Practitioners' Guide' published by Joint Panel on Accountability and Governance (JPAG) from time to time.

The following risk assessment was considered by the Council at its meeting of 12th March 2020 and will be reviewed as necessary		
Signature of Chairman Warmington Parish Council		Date:

GOVERNANCE RISK ASSESSMENT – MARCH 2020

Area	Risk	Level	Control (and agreed improvements)
ASSETS	Protection of physical assets	M	Insured under the council's insurance policy. Very limited assets. RPI increases as laid down by the insurers
	Security of buildings, equipment etc	M	Portacabin is checked by the Land Management Committee
	Maintenance of buildings etc	H	The building is maintained by the Land Management Committee. The building is coming to the end of its useful existence and requires high maintenance
FINANCE	Banking	M	All invested sums with UK bank. When funds held are close to the amount covered by the FCFS, steps are taken to reinvest with another bank.
loss of income	Investment income	L	very small amount coming from interest
	Cash handling	L	Small amounts of cash and banked as soon as practical. Cash receipts issued when money received
	Allotments	L	Register maintained, updated and reconciled to bank accounts
	Loss of cash through dishonesty	L	Absolute minimum cash, 2 cheque/bank signatories and nobody has bank party access to move funds outside accounts.
	Financial controls and records	M	Reconciliation of accounts and bank balances regularly reported to council. Two members with authorisation permissions with the online banking system check and authorise every payment set up by the clerk. The clerk has the ability to set up payments and move money between the parish council's accounts ONLY. Members have authorisation rights only and cannot set up payments. Two signatories on cheques. Cheque stubs initialled. Internal and external audits carried out and internal control spot checks carried out.
	Comply with HMRC regulations	L	HMRC deductions calculated using HMRC recommended software, RTI

			compliant software in place and submissions made in a timely manner
Precept	Not submitted	L	Diarise and liaise with ENC (minimal risk as ENC need figures for budgets and send out timely requests)
	Not received	L	Confirm receipt at meeting and diarise
	Sound budgeting to underlie annual precept	L	Budgetary preparation in autumn, prior to final agreement of the precept.
	Reserves – ensuring adequacy of general and earmarked reserves	L	Reviewed at budget meetings
	Complying with borrowing restrictions	L	None at present
	VAT reclaimed correctly	L	Diarised by RFO and reported. Check at audit
LIABILITY	Risk to third party, property or individuals	L	Insurances in place. Play equipment is inspected on a monthly basis and documented. Trees investigated when damage reported on a regular basis. No other areas under the control of the parish council are documented. There are no formal agreements in place between the council and users of the parish council's property.
	Legal liability as consequence of asset ownership	H	Insurance in place. Annual independent professional inspection of play equipment. Risk assessment of pavilion carried out by fun field committee.
EMPLOYMENT ISSUES	Comply with Employment Law	L	Yes. Full contract in place and employers liability insurance up to date.
	Comply with Inland Revenue requirements	L	Yes
	Safety of Staff and visitors	M	Clerk is home based and lone worker. Clerk is not expected to meet with people alone. Visitors do not visit clerk's home.

	Loss of clerk	M/H	Most records kept electronically in cloud based storage as well as locally and in paper form and backed up. <i>A 'how to' succession guide for another or locum clerk will be prepared on an ongoing basis.</i>
LEGAL LIABILITY / ACTING WITHIN POWERS	Liability Ensuring activities are within legal powers	M	Clerk clarifies legal position on any new proposal. Legal advice to be sought where necessary.
	Proper and timely reporting via the minutes	M	Council meets monthly and receives minutes of meetings held in interim, for approval at the next meeting. Minutes checked by members for accuracy Minutes made available to press and public via noticeboards and online.
	Proper document control & safeguarding	L	Clerk backs up data constantly to cloud server.
	Councillors acting in ultra vires manner issuing unlawful instructions to suppliers, contractors or customers.	M/H	All contractors will be told to accept instruction from council officers / staff only and they run the risk of not being paid if they contravene this.
	Too few members remaining following resignations or an uncontested election.	L	The council will remain operational as there are means under the 1985 Representation of the People act. However, all efforts will be made to maximise candidacy.
COUNCILLOR PROPRIETY / REPUTATIONAL RISK	Registers of interest and gifts and hospitality in place	M/H	Register of interests completed. Gifts and hospitality to be advised at each meeting. Declarations of interest to be declared at each meeting.
	Contravention of Code of Conduct		Councillors conversant with the Nolan principles of public life and obligated to adhere to the council's code of conduct
	Libel and slander	L	Insurance arrangements in place
DATA PROTECTION	Council is registered with the ICO.	L	Ensure annual renewal of registration.
	New GDPR rules came into effect in April 2018 bringing new more stringent demands on data	M/H	<i>Ensure training in place. Ensure all members and co-opted committee</i>

	control; large fines and potential additional officer or contractor		<i>members are fully aware of the issues involved.</i>
FREEDOM OF INFORMATION	The Council has a model publication scheme for local councils in place. There have been no requests to date but council are aware that this is an entitlement and that where the research for the information requires 15 hours work or more a fee may be charged	L	Monitor and report impact of requests made under freedom of information.
GRANTS	Insufficient funds to pay expenditure authorised by the Council to pay	L	<p>All such expenditure goes through the required Council process of approval which is recorded in minutes and documented accordingly.</p> <p>No expenditure is authorised without first receiving confirmation that any dependent grants are guaranteed to be received.</p> <p>Annual submissions for grants are diarised and submitted for authorisation and payment in a timely manner.</p> <p>Any 'one off' grants would come with terms and conditions to be satisfied. The Council will ensure all obligations are complied with.</p>
	Failure to understand, seek, secure and spend grants	L	Regular financial reporting to the Parish Council by the Clerk.