

BIRCH PARISH COUNCIL

RISK ASSESSMENT

Financial/Employment/Assets/Duties

Reviewed & Adopted 3rd May 2011

To provide services for, and manage and maintain the assets of, the Parish of Birch, within the resources provided by the annual precept and other incomes, taking into account the wishes of the residents and the need to obtain value for money.

| AIM | RISK | METHOD USED TO MINIMISE RISK | PERSON(S) RESPONSIBLE |
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| 1. to ensure compliance with the law and the Parish Council's code of Conduct, Financial Regulations and Standing Orders | 1. Ignorance of requirements | Ensure that all Councillors are kept aware of legislative requirements, and are provided with copies of the Code of Conduct, Financial Regulations and Standing Orders | Clerk to the Council |
| | 2. Out of date Standing Orders and Financial Regulations | Ensure Standing Orders and Financial Regulations are reviewed annually | Clerk to the Council and all Councillors |
| | 3. Ultra vires action | Ensure that the Clerk has access to relevant publications Ensure that any uncertainties over powers are referred to Essex Association of Local Councils for advice | Clerk to the Council and all Councillors Ditto |
| | 4. Lack of commitment to procedures and legal requirements | Standing reference to requirements in agendas | Clerk to the Council and all Councillors |

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| | | Ensure Councillors each have a copy of Standing Orders and Financial Regulations | |
| | 5. Failure to comply with the Race Relations Act 1976 and section 17 of the Crime and Disorder Act 1998 | Standing reference to this legislation in agendas | Clerk to the council and All Councillor |
| | 6. Payments made without proper authority | Ensure all payments comply with Standing Orders and Financial Regulations | Clerk to the Council/RFO, all Councilk |
| | | Ensure all payments received proper approval and appear on schedules which are included in the minute book | Ditto |
| | 7. VAT procedures not complied with | Ensure that the Clerk is fully aware of VAT requirements | Clerk to the Council/RFO and all Councillors |
| | 8. Fraud | Ensure an adequate system of internal audit, both within the Council and by employment of an independent auditor | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| 2. To identify and regularly review the Council's priorities and associated risks | 1. Lack of knowledge of how to set objectives and identify risks to their achievement | All Councillors to be made aware of the need for objectives and identification of risk | Clerk to the Council and all Councillors |
| | | Attend relevant training courses as required | Ditto |

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| | 2. Unsatisfactory reporting mechanism to Council | Ensure that progress against objectives and issues is regularly reviewed through inclusion or agendas | Clerk to the council and all Councillors |
| | 3. Lack of commitment by Councillors | Include risk assessment on all ordinary Council meeting agendas | Clerk to the council and all Councillors |
| | 4. Inadequate review of risk | Ensure that the risk assessment policy document (this document) is reviewed annually | Clerk to the council and all Councillors |
| | 5. Steps not taken to combat identified risks | As at 2.3 | Clerk to the council and all Councillors |
| | 6. Evaluation of specific risks not properly recorded for future reference | Ensure that the evaluation documentation is attached to the risk assessment policy document | Clerk to the council and all Councillors |
| 3. To carry influence with other organisations in achieving the requirements of the Parish | 1. Lack of effective lines of communication with other organisations | Establish a relationship and dialogue with relevant organisations Invite relevant organisations to present reports to Annual Parish Meeting | Clerk to the council and all Councillors Ditto |
| | 2. Lack of effective lines of communication with parishioners | Publicise initiative and matters of importance in Parish News Issue annual report and quarterly newsletters | Clerk to the council and all Councillors Ditto |
| | | Publicise annual Parish Meeting Develop and maintain website | Ditto Ditto |

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| | 3. Lack of preparation on subjects requiring influence | Ensure that all Councillors are aware of the need for research and where to look for information | Clerk to the council and all Councillors |
| | 4. Lack of confidence in Councillors | As at 3.1 | Clerk to the council and all Councillors |
| | | Experienced Councillors to assist newcomers to establish contacts | All Councillors |
| 4. To ensure that all Councillors are aware of their responsibilities and possible liabilities, and to provide adequate insurance cover for all possible risks | 1. Lack of knowledge of possible culpability of Councillors | All Councillors to be made aware of the need to read and understand Standing Orders and Financial Regulations | Clerk to the council and all Councillors |
| | | Attend relevant training courses | Ditto |
| | 2. Inadequate insurance cover | Review risk on a monthly basis as appropriate with detailed annual review | Clerk to the council, all Councillors and Internal Auditor |
| 5. To keep appropriate books of account accurately and up-to-date through the financial year | 1. Lack of knowledge of accounting requirements | Ensure that the Clerk is properly trained As at 4.1 | Clerk to the Council/RFO and all Councillors Ditto |
| | 2. Lack of commitment to accounting requirements | As at 5.1 | Clerk to the Council/RFO and all Councillors |

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| | Schedules of payments and bank reconciliation statements to be submitted to ordinary meetings together with a report on budget monitoring each quarter | Clerk to the Council, all Councillors and Internal Auditor |
| | Internal Audit reports to be reported to Council and acted on FULL Council discussion | Ditto |
| 3. Bank charges unnecessarily incurred | Bank reconciliation to be carried out monthly | Clerk to the Council/RFO and all Councillors |
| | Cheque stubs and payment book to be signed by the Chairman | Ditto |
| 4. Failure to attract bank interest | As at 5.3 | Clerk to Council/RFO |
| 5. Failure to attract best interest rates | Review banking arrangements periodically | Clerk to the Council/RFO and all Councillors |
| 6. Inadequate control of cash receipts and payments | Avoid cash as far as possible, but, where cash is received, ensure that a receipt is issued and the cash is banked at the earliest opportunity | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| 7. Books of account to be kept up-to-date | As at 5.3 | Clerk to the Council/RFO and all Councillors and Internal Auditor |

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| | 8. Receipts to be banked and payments to be made properly | As at 5.3 | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| | 9. Clerk taken ill or departs suddenly | Contact the EALC to request locum Clerk | Chairman |
| 6. To ensure that payments made from Council funds, and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of residents | 1. Lack of knowledge of, and failure to meet, the wishes of residents | As at 3.1 and 3.2 | Clerk to the Council/RFO and all Councillors |
| | | Ensure residents are consulted on major financial issues | Ditto |
| | 2. Value for money not being obtained | Ensure effective budget planning process Ensure Standing Orders and Financial Regulation regarding contracts to be complied with Exercise care in selection of contract terms | Clerk to the Council/RFO and all Councillors Ditto Ditto |
| | 3. Inadequate changes | Effective budget planning process | Clerk to the Council/RFO and all Councillors |
| 7. To ensure that the annual precept requirements results from an adequate budgetary process, progress against the budget is regularly monitored, and reserves are appropriate | 1. Lack of knowledge of budgetary process | Ensure that the budget is considered at a full Council meeting Councillors receive a set of budget working papers | Clerk to the Council/RFO and all Councillors and Internal Auditor |

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| | 2. Lack of commitment to budgetary process | All Councillors to be involved in budgetary process | Clerk to the Council/RFO and all Councillors |
| | 3. Inadequate internal controls with regard to monitoring expenditure | As at 5.2 | Clerk to the Council/RFO and all Councillors |
| | 4. Inadequate reserves | As at 5.3 | Clerk to the Council/RFO and all Councillors |
| 8. To explore all possible sources of income and to ensure that expected income is fully received | 1. Lack of knowledge of possible sources of income, e.g. grants | Ensure that the Clerk and Councillors attend training courses on grant availability | Clerk to the Council/RFO and all Councillors |
| | 2. Lack of commitment to pursuing grant availability | As at 8.1 | Clerk to the Council/RFO and all Councillors |
| | 3. Debts not promptly pursued | Periodic checks by Councillors and Internal audit | All Councillors & internal audit |
| | 4. VAT claims not made correctly | Ensure Clerk is up-to-date with requirements | Ditto |
| 9. To ensure that salaries paid to staff and monies paid to contractors are paid in accordance with Financial Regulations and are adequately monitored | 1. Incorrect rate of pay to staff | Ensure correct rates applied when setting budget | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| | 2. Tax and NI deductions incorrect | Ensure Clerk to the Council/RFO is familiar with requirements | Ditto |
| | 3. Incorrect payments to contractors | Periodic review of contractual obligations | Clerk to the Council/RFO and all Cour |

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| 10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail | Lack of knowledge of Accounts 7 Audit regulations | Clerk & Councillors to attend training courses when available | Clerk to the Council/RFO and all Councillors |
| | 2. Inadequate audit trail from records to final accounts | Ensure that the Clerk is properly trained and understands the Accounts and Audit Regulations | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| 11. To identify, value and maintain all the assets of the Council, and ensure that the asset and investment registers are complete, accurate and properly maintained | 1. Lack of knowledge of assets and investments of Council | Ensure that records in existence are maintained and kept up-to-date | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| | 2. Assets and investments lost or misappropriated | Nominate Councillors to monitor location and assets, including amenity areas - see 13 below | Clerk to the Council/RFO and nominated Councillor |
| | 3. Inaccurate valuation of assets and investments | Ensure that annual insurance revaluations are used | Clerk to the Council/RFO and all Councillors and Internal Auditor |
| | 4. Inadequate reserves | Bank reconciliation to be carried out monthly | Clerk to the Council/RFO and all Councillors |
| 12. To comply with legislation regarding disability, racial equality, safeguarding children etc. | 1. Lack of knowledge of legislation and other requirements | Ensure that relevant legislation, requirements, etc. are known | Clerk to the Council and all Councillors |
| | | Review responsibilities annually | Ditto |

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| | Lack of public awareness | Use Parish News as and when necessary | Clerk to the Council/RFO and all Councillors |
| 13. To ensure that Council-owned property is properly maintained and in safe condition | 1. Failure to regularly inspect and report matters requiring attention | Nominate Councillors to carry out periodic inspections and report to monthly meetings. Urgent work to be reported immediately to the Clerk to the Council | Clerk to the Council and Nominated Councillor |
| 14. To ensure that Council-owned play equipment at Birch Play Area is properly maintained and in a safe condition | 1. Failure to regularly inspect | Nominated Councillor to carry out monthly inspections and record findings on a check list. Urgent work to be reported immediately to the Clerk to the Council. Less urgent work to be reported on a day to day basis. | Clerk to the Council and Nominated Councillor |
| | 2. Failure to carry out major annual inspection | ROSPA to carry out annual inspection every May | Clerk to the Council and ROSPA |
| 15. To ensure that maintenance contractors comply with all necessary requirements | 1. The contractor has not carried out a site assessment | Ensure that written site risk assessment is provided | Clerk to the Council and all Councillors |
| | 2. The contractor does not have adequate public liability insurance in place | Ensure that a copy of the insurance certificate with £5 million public liability cover is provided | Clerk to the Council and all Councillors |
| | 3. The contractor does not have the necessary resources to satisfactorily comply with the contract | Ensure that proper tender documents, including invitation to tender, specification and official tender, are prepared | Clerk to the Council and all Councillors |

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| | 4. Unsatisfactory contractual arrangement | Ensure that the contract includes an exchange of correspondence, together with the documentation referred to in 15.3 above | Clerk to the Council and all Councillors |
| | 5. Unsatisfactory monitoring of contract performance | Ensure that sites are inspected at least fortnightly during the cutting season by the Clerk to the Council | Clerk to the Council and all Councillors |
| 16. To ensure that the Council's key records are securely preserved | 1. Key computer records not backed-up on a regular basis | Ensure regular backing-up to an external storage device | Clerk to the Council |
| | 2. Inadequate computer virus protection | Ensure that the anti-virus software is updated regularly | Clerk to the Council |
| | 3. Key documentation not kept in hard copy format | Ensure that hard copies of all documents are preserved on file | Clerk to the Council |
| | 4. Financial records not kept for statutory six year period | Ensure that the Clerk is aware of his responsibilities | Clerk to the Council/RFO and all Councillors |
| | 5. Failure to safely preserve minutes | All minutes in the possession of the Clerk to be kept electronically as well as in hard copy format. A second copy of the back-up to be kept by the Chairman | Clerk to the Council and all Councillors |
| 17. To ensure that staff are employed according to proper recruitment, conditions of service and health and safety requirements | 1. Failure to ensure that staff are recruited in accordance with correct, fair and unbiased procedures | Ensure that vacancies are widely advertised, based on job descriptions and person specifications, and that all Councillors are invited to participate in interviews | Clerk to the Council and all Councillors |

2. Failure to ensure that staff are correctly paid and enjoy proper conditions of employment

Ensure that staff are paid in accordance with nationally agreed pay scales and given contracts of employment based on national models.

Clerk to the Council/RFO, all Councillors and Internal Auditor

Review contracts of employment at the annual budget meeting Ditto

3. Failure to ensure proper health and safety provision

Carry out risk assessments of duties performed

Clerk to the Council, all Councillors and Internal Auditor

Ensure that staff receive training and instruction in relation to special risk situations

Clerk to the Council and all Councillors

Ensure that staff who use plant and equipment are provided with adequate training to competently use such plant and equipment

Ditto

Ensure staff are instructed to report accidents using a form to be provided Ditto

Ensure that staff working from home are working in safe and appropriate conditions

Ditto

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