



RISK MANAGEMENT POLICY

Document Ref: POL/RISK

Status: **Approved**

Version: **5.0**

Date of Approval: **17 January 2024 ON**

23-01 FINANCE COMMITTEE

Date of Next Review: October 2023

Version Control:

Version 5.0

Amended by: Clerk

Details of amendment(s):

Section 1 – Replaced mission with adopted vision

Aim 2 – updated 'departments' to 'authorities'

Section 2 – deleted 'Add social event to occasional meeting'

3.3. updated to 'G' and 'Insurance cover regarding the charity is an additional area of risk being investigated.' Removed.

4.7 – monthly close down and reporting now up to date

Sections 4 actions updated and highlighted

13.1 – updated to 'Y'

14.4 actions updated

SAXILBY WITH INGLEBY PARISH COUNCIL RISK ASSESSMENT

Vision:

Saxilby with Ingleby Parish will develop and thrive as an active, sustainable community, whilst retaining its rural character. It will continue to be an area that is attractive for people to live, work, and visit.

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Status R ● Y ● G ●
1. To ensure compliance with the Acts of Parliament, the Parish Council's financial regulations and Code of Conduct.	1. Lack of knowledge of regulations and codes.	Ensure that all councillors have copies of relative Acts, Code of Conduct and Standing Orders. Highlight essential parts and provide training where possible. Ensure robust new councillor induction process. Proper officer to information share and cllrs to attend training, inc. new cllr training. Evaluate mentor scheme – feedback form – to do?	Council Proper Officer	Y
	2. Absence of Standing Orders and Financial Regulations	Ensure that SOs and FRs are produced, understood by councillors, and reviewed at least once per year or when legislation changes.	Council Proper Officer	G
	3. Actions taken by the Parish Council outside its powers as laid down by Parliament.	Ensure that powers are stipulated in papers when agreeing council actions. Resolve memorial field charity issues regarding management of field and buildings. Lessons learned.	Council Proper Officer	Y
	4. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Regular checks to ensure all decisions taken have a sound legal basis. Internal auditing. Councillors to scrutinise in their role.	Council Proper Officer	G
	5. Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	Ensure that all councillors are aware of regulations regarding estimates and full tender procedures. Quotes are required for all purchases over an agreed figure. Keep a record of payments made to councillors, inc. for reimbursement of expenses.	Council Proper Officer RFO	G

	6. Payments made without prior approval and adequate control.	Ensure all payments (above the level defined in Financial Regulations) are approved in Council meetings and recorded in minutes. Ensure all invoices are signed off by two councillors before payment, accepting that there may be the odd occasion where the payment terms dictate that payment has to be made prior to councillor sign-off. No petty cash system to be operated. Awareness of council procedures by working groups.	RFO Finance Committee	G
	7. Lack of control of signatories to cheques.	Keep authorised signatories to a minimum (currently two), consistent with practicalities.	Proper Officer RFO	G
	8. VAT not properly accounted for, resulting in over claims and large demands from HM Revenue and Customs.	Ensure appropriate publications held and that Clerk has good knowledge of regulations. Ensure Clerk/Assistant Clerk attend regular VAT training. Ensure that VAT is allocated correctly in the financial system. Ensure that VAT real-time submission deadlines are met.	Proper Officer RFO Council	G
2. To influence other local authorities and government organisations to fulfil the requirements of the parish population.	1. Lack of effective lines of communication with other organisations.	Note all communication lines which are essential or beneficial and make information available to relevant councillors and hold details on-file. Establish contacts by name and where possible face-to-face.	Proper Officer Councillors Council	Y
	2. Lack of effective lines of communication with parishioners.	Take every opportunity to publicise the role of the parish council. Effective use of different communication and consultation including key issues. Ensure Parish Plan Action Tasks are relevant and actioned in the timely manner.	Proper Officer Councillors Committees Comms Lead	Y
	3. Lack of preparation on subjects requiring influence.	Council to advise clerk on subjects requiring influence and clerk to research subjects to provide briefing papers as informative background to agenda items being discussed. Ensure papers are issued ideally 24 hours prior to a meeting, to ensure councillors have sufficient time to read them	Proper Officer	G

	4. Lack of confidence by Parish Councillors.	<p>Ensure that all Councillors can access their Office 365 accounts (email and Sharepoint folders).</p> <p>Councillors are aware of their responsibilities to read and understand background papers issued prior to meetings.</p> <p>As at 1 (above).</p> <p>Experienced councillors to assist newcomers to establish essential contacts. Mentoring scheme for new councillors in place. Councillor training encouraged – ensure training as per required terms of reference for specific committees.</p>	Proper Officer Councillors	G
3. 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.	Standing Orders in place and familiarisation with those where greatest risk occurs.	Councillors Proper Officer	G
	2. Lack of education of councillors regarding culpability.	<p>As at 1 (above).</p> <p>Delegate responsibility to one or two councillors to assist newcomers to understand culpability – mentoring scheme in place.</p> <p>Encourage attendance at relevant training courses available – training courses shared as they become available</p>	Councillors Proper Officers	G
	3. Inadequate insurance cover taken out – property, personal liability, employer's liability, public liability, vehicle, fidelity, events, professional indemnity, legal expenses, accidents and defamation.	<p>Review risk by including on agenda of Parish Council meetings at least annually.</p> <p>Review annually with Parish Council insurance provider.</p>	Council Proper Officer	G
4. To keep appropriate books of account accurately and up-to-date throughout the financial year.	1. Lack of knowledge of accounting requirements	<p>Ensure that all councillors and officers are familiar with current Financial Regulations and Standing Orders.</p> <p>Regularly review Standing Orders (at least once a year, and when changes to legislation require).</p> <p>RFO to undertake FILCA</p>	RFO Finance Committee Council	G
		RFO to produce financial reports at all relevant meetings.	RFO Finance Committee Internal Auditor	G

	2. Lack of commitment to accounting requirements.	Internal audit reports to be made available to all Councillors and any recommendations to be acted upon promptly. Officers to keep up to date with latest guidance	RFO Finance Committee	G
		RFO to carry out regular inspection of books of account. Internal audit to be undertaken at least quarterly during the current financial year.	Finance committee RFO	G
	3. Bank charges unnecessarily incurred.	Bank accounts/charges to be reviewed annually by finance committee.	Proper Officer RFO Internal Auditor RFO	Y
	4. Inaccuracies in recording amounts and totals in books of account and bank reconciliations.	Accounting system flags inconsistencies. Regular internal audits to advise on internal controls required and flag any discrepancies		G
	5. Inaccuracies and interest losses caused by account transfers.	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest-bearing account – reserves being moved into savings accounts Review regularly. Ensure that amounts kept in each bank account fall within the limits of the Financial Services Compensation Scheme – another bank account opened to ensure council stays within FSCS limits	Proper Officer RFO Finance committee Internal Auditor RFO	Y Y
	6. Inadequate control of cash receipts and payments.	Avoid cash payments and receipts where possible. Bank transfers and parish debit card preferred to cash payments and for income via bank transfers. Cash payments not encouraged. All cash receipts must be recorded via the process for Cash Handling and then allocated to the appropriate income code.	RFO Admin officers	G
	7. Books of account not kept up to date/ invoices not posted promptly.	Regular checks by RFO and internal auditor. Financial system to be kept up to date as at the previous month where possible.	RFO Assistant Clerk Finance Committee	G

	8. Internal controls not in place or not operated.	Financial reports for spending committees issued at all relevant meetings – add income and expenditure to planning committee and update ToR Follow documented Cash Handling Procedures.	Clerk Council	Y
	9. Payments missed or delayed due to inadequate filing of invoices.	Payment due dates are recorded on the financial system, to ensure payment within agreed terms – Add regular report to finance committee for purchase order payment due dates.		Y
	10. Clerk/officer taken ill or leaves without replacement	Documented a Risk Assessment for this situation, including action to be taken if it happens and add to FC for review Ensure Assistant Clerk and admin officer (when permanent) is familiar with all aspects of financial matters Ensure other bank signatories are available to make BACS payments if required Exit strategy to be developed for key staff – to do		R
	11. Fraud	Ensure policies and procedures are adhered to, annual review of assets against register, internal audit, use of CCTV for monitoring		G
	12. Ensure financial reporting arrangements in respect of the memorial field and buildings comply with the relevant regulations i.e. Charity legislation/Commission requirements	Apportioning work in progress for historical reporting and for it to be applied for the current financial year.		
5. To ensure that payments made from Council funds and the use of assets, represent value for money, are adequately managed, and generally in-line with the wishes of the residents.	1. Lack of knowledge of wishes of residents.	Ensure residents are consulted on all major financial issues or changes in service delivery – Regular community consultation and satisfaction surveys – create baseline survey in 2023	Council Proper Officer	Y
		Effective budget planning processes. Creation of annual plan after consultation process. Creation of 4 year plan.	Council RFO	Y
			RFO	G

	2. Use of funds not giving value for money.	RFO to create effective financial management. Following council procedures including financial regulations.	Internal Auditor Council	G
	3. Use of funds not in accordance with the wishes of the residents	Effective financial management by RFO. Internal audit checks. Community consultation. Spending in-line with objectives.	Council RFO Internal Auditor	G
	4. Charges for use of facilities inadequate.	Annual review of charges, taking into account cost of providing room hire versus risk of over-pricing and losing hirers.	Chairman Council RFO Internal Auditor	G
	5. Fund raising not properly controlled or not in accordance with regulations.	All councillors to be aware of need to check regulations (in-line with financial regulations and the code of fundraising practice) before commencing fund-raising activities. Share code of practice with fund raising groups – e.g. council working groups – add in ToR Effective financial management by RFO.	Assistant/Clerk	Y
	6. Reputational damage	Consult and engage with community in setting priorities and service changes	Council Clerk	Y
6. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.	1. Lack of knowledge of budgetary process, and council regulations.	Standing Orders and Financial Regulations issued to all Councillors. Councillors and clerks encouraged to attend training Delegate responsibility for managing budgetary process as appropriate.	Council Proper Officer RFO	G
	2. Lack of commitment to budgetary process.	As at 1 (above) Involve all councillors in budgetary process. Other officers to input.	Chairman Council Proper Officer RFO	G
	3. Inadequate consideration of requirements for annual precept.	Start budget setting in sufficient time	Finance Committee Council RFO	G
	4. Inadequate internal controls with regard to monitoring expenditure.	Checks by RFO, Internal Auditor and finance committee. Follow councils financial procedures and audit accounts at least quarterly	RFO Council	G

	<p>5. Reserves too low (including to deal with unplanned events/circumstances).</p> <p>6. Budgeted non-precept income doesn't materialise.</p>	<p>Review level of reserves against recommended levels and build the reserves up to the level they should be where required</p> <p>Very careful consideration of including any non-precept non-guaranteed income in the budget and if included careful consideration to be taken of implications of the risk around this. Budget is based on guaranteed (or very confident) income only.</p>	<p>Council Proper officer RFO</p> <p>RFO Finance Committee Council</p>	<p>G</p> <p>G</p>
<p>7. To explore all possible sources of income, and to ensure that expected income is fully received.</p>	<p>1. Lack of knowledge of possible sources of income e.g. grants.</p> <p>2. Receipts not banked or not banked promptly.</p> <p>3. Debts not pursued promptly.</p> <p>4. VAT claims not made promptly or made incorrectly.</p>	<p>Ensure that relevant officers explore what grants are available and the application process when projects are being undertaken.</p> <p>Regular checks by RFO. Internal audit checks. Follow documented Cash Handling Procedure.</p> <p>As at 3 (above). Report included on monthly finance committee</p> <p>Ensure the Clerk has appropriate and up-to-date VAT official publications and training Ensure that VAT submission deadlines are diarised and that the Omega financial system is up to date in time to enable these submissions.</p>	<p>Council RFO Proper Officer Assistant Clerk</p> <p>Council RFO Internal Auditor</p> <p>RFO Internal Auditor Assistant Clerk</p>	<p>G</p> <p>G</p> <p>G</p> <p>G</p>
<p>8. To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with council regulations, and adequately monitored.</p>	<p>1. Inappropriate rate of pay to employees.</p>	<p>Ensure employee regulations are available and understood by the Clerk. Follow documented Pay Policy. Follow documented Payroll Procedure. Checks by RFO. Internal audit checks. Ensure that mandatory increases to National Minimum Wage and National Living Wage are complied with. Ensure that contractual increases and nationally agreed increases (NJC terms) are complied with. Ensure that any pay rate increases are approved via the appropriate committee and ratified by Full Council.</p>	<p>RFO Internal Auditor</p>	<p>G</p> <p>G</p>

	2. Tax and NI arrangements not in accordance with regulations.	As at 1 (above). Comply with information provided by external accountants in calculating tax and NI.	RFO Internal Auditor	G
	3. Amounts paid to contractors not in accordance with contract and inadequately monitored.	Checks by RFO and clerks invoice matches work carried out. Internal audit checks.	RFO Clerks	G
	4. HMRC employee grants incorrectly obtained	Check any funding applies to parish councils and which guidance/legislation applies	RFO	G
9. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	1. Lack of knowledge of Council regulations and procedures.	Relevant regulations and procedures shared with officers and councillors. Finance training supported. Include a timetable in Standing Orders - Omega to be up to date in preparation for year-end processing. RFO to monitor progress against timetable and report to finance meetings.	Council RFO Internal Auditor	G
	2. Late or non-submission of annual accounts.		Council RFO Internal Auditor	G
	3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.	Use of external support from financial system consultants/accountants to ensure accuracy. Checks by RFO. Internal audit checks.	Council RFO Internal Auditor	G
	4. Inadequate audit trail from records to final accounts.	As at 3 (above). Checks by RFO. Internal audit checks.	RFO Internal Auditor	G
10. To ensure that all electronic data held by the Parish Council is held securely and can be recovered in the event of IT failure.	1. Electronic data can be accessed by unauthorised persons.	Allocate access to the data on a 'need to know' basis. Ensure that Parish Council staff are only given access to the data which is required for them to perform their duties. GDPR review of data access – January 2021.	Proper Officer	G
		Ensure that each member of staff who needs access, has their own logon credentials and does not share anybody else's.	Proper Officer	G
		Ensure that all Parish Council IT devices are locked when left unattended.	Proper Officer	G
		Security kept up to date on IT systems and proactively monitored.	Proper Officer	G




	2. Data is lost in the event of failure of IT equipment.	<p>Ensure that Parish Council data and email is stored or backed up externally. This is currently held on the Sharepoint server and then backed up to the Cloud.</p> <p>IT support has been procured to ensure that any issues affecting the IT hardware, software or data can be remedied/rectified within a reasonable timescale, thus reducing potential impact to the running of the Council and its services.</p> <p>Ensure that a hard-copy 'Business Continuity' plan is prepared and kept securely, ensuring that key contact and account details are available as a short-term measure until the IT can be recovered – check – business continuity draft to Nov Finance Dunston -</p>	<p>Proper Officer</p> <p>Proper Officer</p> <p>Proper Officer</p>	<p>G</p> <p>G</p> <p>Y</p>
11. Safe retention of paper records and minutes	1. Loss/theft/damage of paper records	<p>Securely store historical records, where possible scan and save electronic version.</p> <p>Fireproof safe was considered for old burial books/records.</p> <p>Consider passing on historical records to local archives. Consider project to add records online – Scanning and Indexing – Burial ground project. Investigate scanning of burial projects – 2025</p>	Proper Officer	Y
12. To identify, value, and maintain all the assets of the parish council, and ensure that asset and investment registers are complete, accurate and properly maintained.	<p>1. Lack of knowledge of assets of parish council.</p> <p>2. Assets lost or misappropriated.</p>	<p>Ascertain and record all assets for which the Parish Council is responsible.</p> <p>Permanent asset register held in Omega.</p> <p>Ensure an annual review of the asset register, taking into account new and disposed of assets and any changes to asset values, such as land and property and ensure adequate insurance.</p> <p>Externally re-value assets for insurance purposes every 5 years (next due 2024). Carried out 2022.</p> <p>Introduced (2021) register of keys issued. Third parties sign keys out and member of staff signed them back in. Annual photos/videos of land/drone. Save google earth each year.</p>	<p>Proper officer RFO</p> <p>RFO Internal Auditor</p>	<p>G</p> <p>G</p>

	<p>3. Inadequate or inaccurate valuation of the council's assets.</p> <p>4. Asset register not established or inadequately maintained.</p>	<p>Establish who is responsible for security and maintenance of each asset. Clerk and managers to be responsible for regular monitoring of location and use of assets. Physical asset tags allocated to key assets.</p> <p>Arrange for periodic review of valuations and arrange for professional valuation where necessary. Take advice from the Parish Council's insurance company as appropriate. Internal audit checks.</p> <p>Create asset register in accordance with legislative requirements. Ensure that the asset register is regularly maintained (with any new or disposed of assets).</p> <p>Access to Mill Lane right of way not on Land Reg – Wayleave</p>	<p>Assistant Clerk</p> <p>Proper officer RFO Internal Auditor</p> <p>Assistant Clerk</p>	<p>G</p> <p>G</p>
<p>13. To comply with appropriate government legislation regarding disability, racial equality, safeguarding children etc.</p>	<p>1. Lack of knowledge of applicable legislation</p> <p>2. Failure to comply with applicable legislation.</p> <p>3. No unsupervised access to children and vulnerable adults</p> <p>4. Lone working</p>	<p>Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically Councillors, employees, and library volunteers to Complete online Safeguarding training, as appropriate. Safeguarding Officer appointed</p> <p>Include, as appropriate, in any public consultations. As at 1 (above).</p> <p>No unsupervised access to children and vulnerable adults. Inc. events and volunteering.</p> <p>Lone working RA. Working alone late. Safety of staff. Online diary. Guidance – Access to Mill Lane. Locked doors. GDPR.</p>	<p>Proper Officer RFO</p> <p>Proper Officer RFO</p>	<p>Y</p> <p>G</p> <p>Y</p>
<p>14. To carry out adequate safety checks on all buildings, properties, land, trees and</p>	<p>1. Lack of information on properties, land, buildings and equipment.</p>	<p>Ensure that the Clerk holds all current legislation and advice. Include in asset register all properties for which Parish Council is responsible.</p>	<p>Proper Officer</p>	<p>G</p>

equipment for which the council is responsible.		Ensure annual inspection of all land assets – Scheduled for August	Proper Officer	Y
	2. Lack of knowledge of safety requirements.	Ensure that the Clerk holds all current legislation and advice. Review and act on relevant Health & Safety reports from our external advisors. Regular safety checks	Proper Officer Operational officers	
	3. Lack of commitment to carrying out safety checks.	As at 2 (above). Ensure appropriate operational manager is aware of their responsibilities in relation to safety checks for example play area, vehicle, equipment, legionnaires, defib, trees, fire alarm, first aid boxes. Regular spot-checks of safety records. Document local knowledge currently held by one person (in their head) and at risk if that person leaves.	Proper Officer and Operational officers	G
	4. Lack of regular inspections of trees in the parish	Develop tree management plan and record of trees which parish owns and manages and put plan into action – First full parish council tree survey took place Jan 2024. Actions being taken to committee		G
15. Maintain accurate records	1. Financial implications 2. Reputational damage 3. Distress to individuals 4. Staff time to resolve historical errors	Ensure processes are followed. To seek and follow best practice. Periodic checks – internal audit checks.	Parish clerks	Y
16. Run successful events	1. Financial implications, including if cancelled. 2. Reputational damage. 3. Theft	Notify insurers of events and follow any requirements. Explore cancellation insurance or contingency budget – this may be prohibitive. Run events within set budget. Council moving away from directly delivering events, to a supportive role Use of bum bags, limiting where cash is used, encouraging BACS, use of card machines. QR codes for Paypal to pay	Officers RFO Committees	G

	4. Inadequate risk assessment and management	WLDC Safety group involved, committees to scrutinise risk		
	5. Protecting children and vulnerable adults	Engage with Health & Safety Advisor regarding Risk Assessments and appropriate procedures for volunteers.		

Key to Risk Status

	G	The risk is being effectively managed. Methods to minimise the risk are in place and regularly reviewed.
	Y	Actions are underway to minimise this risk however they are not yet fully complete. OR The risk is not under effective management however the impact on the Council if it occurs is minimal.
	R	The risk is not being effectively managed, and it poses a significant risk to the Council. The risk will be regularly reported to Council until such time as methods to minimise its impact are put in place or until such time that Council accepts that this risk is entirely outside of its control and it can do no more to minimise it.

Where the Risk Status is R or Y, actions have been highlighted to help move the status to G.