

RISK MANAGEMENT POLICY STATEMENT & RISK ASSESSMENT for POTT SHRIGLEY PARISH COUNCIL

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.

This document has been produced to enable the parish council to assess the risks that it faces and satisfy itself that adequate steps have been taken to minimise them by:-

Identifying the areas to be reviewed

Identifying the risks

Evaluating the management and control of the risk and recording all findings

Reviewing assessing and revising if required.

FINANCIAL AND MANAGEMENT				
Item	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Precept	Adequacy of precept	L	To determine the precept amount required, the Parish Council receives regular budget update information. The precept requirement is finalised in January	Existing procedure adequate
	Requirements not submitted to Cheshire East Council	L	Cheshire East requests precept requirement providing a prompt for the Clerk. The precept request form is submitted by the Clerk to Cheshire East. Clerk keeps record of precept request.	Existing procedure adequate
Budgeting	Budget not prepared for next financial year	L	With information on the previous budget and actual spend against budget headings, the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings. Budget and precept setting are timetabled for meeting agenda from November/December/January	Existing procedure adequate
Financial Records	Inadequate records	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate.

FINANCIAL AND MANAGEMENT				
Item	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
	Financial irregularities/Internal controls	L	The accounts are audited by an Internal Auditor each year. During the year financial reports are produced for each parish council meeting by the Responsible Financial Officer (Clerk) and payments are agreed by the full council. Cheques require two signatures and online banking requires two authorisations. All transactions take place in line with the HPC Financial Regulations.	Existing procedure adequate
Bank and Banking	Inadequate checks Bank mistakes Loss Charges	L	The Council has Financial Regulations which set out the requirements for banking, cheques, online transactions and reconciliation of accounts. The Clerk reconciles the bank accounts once a month when the statements arrive, and the bank is informed immediately of any errors.	Existing procedure adequate.
Cash	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements. A very small amount of petty cash is held by the Clerk and records are kept of any transactions using it. The Parish Council has Fidelity Guarantee Insurance of £250,000.	Existing procedure adequate.
Reporting and Auditing	Information communication	L	A statement of money held in the current account, building society and petty cash is provided on the agenda and circulated to all councillors before each council meeting. Income is also noted and payments are agreed and approved during the meeting. As required by law, the key financial documents are published on the Council's website, usually in June.	Existing communication procedures adequate. Agendas circulated electronically
All Costs & expenses Debts	Goods not supplied but billed	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate.
FINANCIAL AND MANAGEMENT				
Item	Risk	H/M/L	Management/control of risk	Review/Assess/Revise

	Incorrect invoicing	L	Financial regulations set out requirement for Responsible Financial Officer checking for amounts against decisions/quotes etc.	Existing procedure adequate.
	Invoice payable incorrect	L	Councillors check invoices against the cheque book and associated paperwork. Two signatories on cheques and two approvals for online banking. Council approves the list of requests for payment	Existing procedure adequate.

Grants and support - payable	Power to pay Authorisation of Council to pay	L	All such expenditure goes through the required Council process of budgeting, approval, are minuted and listed accordingly.	Existing procedure adequate.
Grants - receivable	Receipts of Grant	L	The Parish Council does not presently receive any regular grants. One-off grants would come with terms and conditions to be satisfied.	Conditions fulfilled regarding Transparency funding.
Accountability	Overspend on services/depletion of reserves	M	Responsible Financial Officer to make recommendations on spending according to budget availability.	Members have a duty to consider budget and reserves requirements and operate within them
Salaries and associated costs	<ul style="list-style-type: none"> • Salary paid incorrectly • Wrong rate paid • Wrong deductions of NI or Tax • Unpaid Tax & NI contributions to HMRC. 	L	<p>The Parish Council has one employee. Salary rates are assessed annually by the PC each year when NALC produces its scales. Tax due is calculated online under the PAYE scheme and paid quarterly.</p> <p>The payments are approved at the Council meetings.</p> <p>The Clerk has a contract of employment and job description.</p>	Existing appointment and payment systems for the sole employee are adequate.

Employees	Loss of key personnel/difficulty in retaining Clerk Not enough hours for role	M	<p>A vacant Clerk's post would be advertised, temporary cover for Clerk's responsibilities until new Clerk in place. Clerk receives training if required.</p> <p>Review clerk hours if required.</p> <p>Membership of CHALC for guidance/support.</p>	Existing procedures adequate
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FINANCIAL AND MANAGEMENT				
Item	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
	Fraud by staff	L	Only small amount petty cash handled. Two signatures are required for cheques and two approvals for online payments. All financial balances reported monthly and statements available for inspection. Fidelity Guarantee included in insurance (£250,000)	Existing procedure adequate.
	Actions undertaken by staff	L	The Responsible Financial Officer (Clerk) should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Council membership of the Cheshire Association of Local Councils Monitor insurance as necessary.
Councillor allowances	Councillors over-paid	L	No allowances are allocated to Parish Councillors	Existing procedure adequate.
Election costs	Risk of an election cost	L	Known elections budgeted for through reserves. By-Elections to be provided from contingency budget	Councillors to monitor budget and reserves throughout the year to ensure adequate funding available.
VAT	Re-claiming/charging	L	VAT re-claimed annually	Existing procedure adequate
Annual Return	Submit within time limits	L	Annual Return is completed and signed by the Council, submitted to an internal auditor for completion and signing. If turnover is less than £25,000, Agar form for exempt status is completed and all necessary documents are posted on the website.	Existing procedures adequate
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Parish Council Meetings.	Responsible Financial Officer and councillors have a duty to implement Standing Orders and Financial Regulations.
	Business conduct	L	Business conducted at Council meetings is managed by the Chairperson.	Guidance/training to Chairperson should be given (if required) – available per CHALC. Members to adhere to Code of Conduct.
Members' interests	Conflict of interest	L	The declaring of interests by members at a meeting reminds Councillors of their duty and should remain on the agenda.	Existing procedure adequate

FINANCIAL AND MANAGEMENT				
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	Register of Members' interests	M	There are criminal penalties now deterring non-completion of Registers or declarations.	Members have a duty to update their individual Register of Interests.
Insurance	Adequacy and cost	L	An annual review is undertaken (before the time of the policy renewal in June) of all insurance arrangements in place. Risk assessments completed as required. Employers and Employee liability insurance is a necessity and must be paid for.	Existing procedure adequate
Data protection	Policy Provision	M	Councillors and Clerk adhere to data protection principles and legislation.	GDPR training for Clerk and Councillors provided as necessary.

PHYSICAL RISKS INCLUDING ASSETS AND EQUIPMENT				
Item	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Assets	Loss or damage Risk to third parties/property Road side safety	L	Minimal assets. Annual review of assets is undertaken for insurance provision. Currently £250,000 "All Risks" provision, and £5 million Public Liability provision. No formalised programme of inspections is carried out, but any repairs/maintenance requirements are brought to the attention of the Parish Council.	Existing procedures adequate.
Notice Boards	Risk/damage/injury to third parties. Roadside safety.	L L	Two notice boards in the village. Need for repairs or maintenance brought to the attention of the Council.	Existing location adequate.

PHYSICAL RISKS INCLUDING ASSETS AND EQUIPMENT				
Item	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Meeting location	Adequacy Health & Safety	L	The Parish Council Meetings are held at The Village Hall which is rented for the meetings.	Existing location adequate.
Street furniture	Risk/damage/injury to third parties.	L	The Council owns two benches, two wooden plant troughs, a gas lamp. Need for repairs or maintenance brought to the attention of the Council. No formal programme of inspection.	Existing location adequate.
Council records – paper	Loss through: theft fire damage	L	The Parish Council records are stored at the Clerk's address. Records include correspondence, minutes, records such as, insurance, salaries etc. Older more historical records are stored in a filing cabinet in the Village Hall.	Damage (apart from fire) and theft is unlikely and so provision is adequate. Majority of key files are held electronically on Cloud.
Council records - electronic	Loss through theft, fire, damage or corruption of computer	L	The Parish Council's electronic records are stored on the Clerk's computer and backed up to an external disc drive. The Clerk's computer has anti-virus protection.	Existing procedure adequate