

RISK ASSESSMENT

Notes

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

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible; ensuring that all employees are made aware of the results of the risk assessment.

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and control of the risk and record all findings
- Review, assess and revise if required

| FINANCIAL AND MANAGEMENT | | | | |
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| Subject | Risks Identified | H/M/L | Management control of risks | Review/Assess |
| Councillors | Losing Councillor membership | L | When a vacancy arises there is a legal process to follow which leads either to a bye-election or into a co-option process. | Existing procedures adequate. |
| | Having more than four vacancies at any one time | L | If there are more than four vacancies at any one time the Council becomes inquorate and the legal process of appointment of members by New Forest District Council takes place. | Procedures of another body are adequate. |
| Precept | Adequacy of precept | L | The Council receives budget update information from RFO and the Council considers the required monies for standing costs and projects for the following year, the total of which is resolved to be the precept amount to be requested from New Forest District Council. This figure is submitted by the RFO in writing to NFDC. | Existing procedure adequate |
| | Requirements submitted late to NFDC | L | Precept should be considered by Council before the deadline set by NFDC. | |
| | Amount not received | L | The Clerk informs Council when the monies are received. | |
| Financial records | Inadequate records or financial irregularities | L | Financial records and accounting procedures are maintained by RFO in accordance with <i>Governance & Accountability in local Councils – a Practitioners’ Guide</i> (NALC, SLCC). | Existing procedure adequate. |
| Bank and banking | <ul style="list-style-type: none"> • Inadequate checks • Bank errors • Loss of signatories | L L L | <ul style="list-style-type: none"> • The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. • RFO reconciles the bank accounts once a month when the statement arrives and would immediately inform the bank of any errors. • Council chooses replacements at next meeting but the Bank takes time to implement changes; this most likely to happen after an AGM or election. | Existing procedures adequate. |
| Theft or dishonesty | Loss of funds | L | Cash/cheques received are banked intact. There is no petty cash or float. Accounts are audited by the Internal Auditor annually. | Existing procedure adequate. |
| Litigation | Potential risk of legal action being taken against the Council | M | Public liability insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against. | Insurance cover is adequate but there is still risk of other claims. |
| Reporting and auditing | Information communication | L | RFO regularly produces statements that are presented to Council, discussed and approved. Such statements include the schedule of receipts and payments, bank reconciliation and budget update. | Existing procedure adequate. |
| | Compliance | L | The Council has Financial Regulations which set out the requirements in accordance with Accounts and Audit Regulations. | |
| Payments | Goods or services not received | L | The Council has Financial Regulations which set out the requirements for payment of accounts. | Existing procedure adequate |
| | Errors in invoicing or cheque payable | L | At each meeting Council approves the list of payments then two signatories check and sign each cheque. | |
| | Unpaid invoices | L | Any unpaid invoices to the Council are pursued by RFO. | |
| Grants | Payable | L | The Local Government Act 1972 section 137 makes provision for Parish Councils to provide financial support, up to a fixed amount, for the benefit of residents of the Parish. | Existing procedure adequate. |
| | Received | L | The Council does not receive any regular grants. One-off grants for specific projects have terms and conditions to be satisfied. | Procedures of other bodies are adequate. |

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| Leases/rents | Payments | L | The Parish Council holds a lease (expiry date 2020) from Forestry commission on the cricket ground at Football Green, paid annually. Non-domestic Rate is payable to NFDC for the cricket pitch. | Existing procedure adequate |
| | Receipts | L/M | The cricket ground is rented out to Cadnam Cricket Club. Rental charge equates to total paid by Council: Rent to Forestry Commission plus Non-domestic rate to NFDC. RFO sends invoice and Council is informed when payment is received. | Existing procedure adequate. |
| Best value Accountability | Work awarded incorrectly | L | Procedures for orders and contracts are included in the Financial Regulations. | Existing procedure adequate. |
| | Overspend on services | M | Budgetary control is included in Financial Regulations. | |
| Salaries and deductions | Incorrect amounts paid to employees | L | The Council authorises the appointment of all employees and salary rates are reviewed annually. Net salaries and payments to HMRC (PAYE and NI) are included in the monthly schedule of payments for approval by Council. | Existing procedure adequate. |
| | Incorrect amounts deducted for PAYE or NI contributions | L | PAYE and NI contributions required by HMRC are calculated online and appropriate deductions made from salaries. The RFO reports monthly online to HMRC the amounts deducted from salaries and sends cheque in payment to HMRC. | |
| Employees | Fraud by employee | L | Council approves all payments/receipts each month and full accounts are audited by the Internal Auditor annually. | Insurance policy provides cover for Employee Dishonesty (£150,000) |
| | Inappropriate action by Clerk or Lengthsman | M | Contracts for Clerk and Lengthsman include requirement to undergo any training necessary to carry out duties. Council will pay costs and allow time for this. | Existing procedure adequate. |
| Councillor allowances | Incorrect amounts | L | Chairman's Allowance is reviewed annually and then paid as single amount. No other allowances are allocated to Councillors. | Existing procedure adequate. |
| Election | Cost of an election | H | There are no measures which can be adopted to minimise the risk of having elections since this is a democratic process. Risk is higher in an election year. The Council saves a sum each year to carry forward in case of an election. Bye elections are less predictable. | Council could consider precepting a larger amount each year to increase reserve. |
| VAT | Re-claiming | L | VAT is re-claimed regularly by RFO. | Existing procedure adequate |
| HMRC | Paying and accounting for NI and Tax for employees | L | Reports are submitted monthly online to HMRC by RFO and payments are made quarterly. | Existing procedure adequate |
| Audit | Internal/External Audit | L | Internal auditor is appointed by the Council. Clerk supplies the relevant documents to Internal Auditor. Procedure for External Audit is defined each year by Public Sector Appointments Ltd (PSAA) . | Existing procedure adequate |
| Annual Return | Completion/Submission within time limits | L | Annual Return is completed by RFO and signed by the Council (usually at May meeting) then submitted to the Internal Auditor in sufficient time to meet deadlines set by the External Auditor. | Existing procedure adequate |
| Legal powers | Illegal activity or payments | L | All activity and payments within the powers of the Parish Council are resolved and minuted at Full Parish Council Meetings in accordance with Standing Orders and Financial Regulations. | Existing procedure adequate. |
| Meetings | Accuracy and legality | L | Minutes and agenda are produced in the prescribed method by the Clerk in accordance with legal requirements and best practice guidelines. | Existing procedure adequate. |
| | Business conduct | L | Business conducted at Council meetings is managed by the Chair, with Clerk ensuring that this is in accordance with the law and Council's own Standing Orders and Financial Regulations. Training is available for Chairman, Councillors and Clerk. | Existing procedure adequate. |
| | Conflict of interest | L | Councillors are legally required to register pecuniary and non-pecuniary interests. At Council meetings, Councillors must declare any interests in specific items in accordance with Standing Orders. | Existing procedure adequate. |
| Insurance. | Adequacy | L | An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. | Review insurance provision annually. |
| | Cost | L | Council can choose its insurance broker. But certain insurance cover (e.g. Employers' liability) is essential. | |

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| | Compliance | L | Ensure compliance measures are in place. | |
| Data protection | Policy and Provision | L | The Council is registered with the Data Protection Agency for which it pays annual renewal fee. The Council manages data (records, retention, destruction) to comply with GDPR (25 May 2018) | Existing procedure adequate. |
| Freedom of Information Act | Policy Provision | L M | The Council has a Publications Scheme. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 5 hours but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee. | Monitor and report any impacts of requests made under the F of I Act. |
| Assets | Loss or Damage | L | An annual review of assets is undertaken for insurance provision. | Ensure Asset register is updated annually. |
| | Poor performance of assets or amenities | L | All assets owned by the Parish Council are regularly reviewed and maintained. Repairs and expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council. | Existing procedure adequate. |
| | Risk to third parties | L | All assets are insured and reviewed annually. Risk Assessment carried out annually. | Ensure inspections carried out. |
| Meeting location | Adequacy; Health & Safety | L | Parish Council Meetings are held in the Danby Room at the Village Hall and attended by Clerk, Councillors and Public. The premises and facilities are considered to be adequate and to meet Health & Safety requirements. The Chairman can limit number of members of public if necessary. | Existing location adequate. |
| Records: hard copy | Loss through: <ul style="list-style-type: none"> theft fire damage | L M L | The Parish Council hard-copy records are stored in 3 locations: (1) historical records and legal documents are with Hampshire County Council (2) Non-current records in storage cupboard at the Danby Room at, Village Hall (3) current records at the clerk's house in metal filing cabinet. | Damage (excluding fire) and theft is unlikely so provision adequate |
| Records: electronic | Loss through: theft, fire, damage | L | Council's electronic records are stored on the Parish Council computer which is maintained responsibly by the Clerk with up-to-date software and anti-virus protection. Back-up copies are made regularly and then stored in a different place. | Regular back-ups and storage elsewhere is adequate. |
| | Loss through corruption of computer | M | Files are copied regularly onto a memory stick which is then stored elsewhere (by the Chairman). | |