

RISK MANAGEMENT 2023

DESCRIPTION OF RISK		RISK/IMPACT LEVEL	MANAGEMENT and/or CONTROL MEASURES
<u>BUSINESS CONTINUITY</u>			
1	Long term incapacity or absence of the Clerk	MEDIUM	Councillors can provide short term (unpaid) cover. Long term cover available via a Locum Service, the cost of which is covered by our current insurance provider in respect of illness. Chairman to also consider being ILCA/CiLCA qualified.
2	Resignation of the Clerk	HIGH	Provide cross-training between staff and Chairman/Councillors. Instigate a staffing committee (Chairman plus 2 councillors) to ensure Annual Appraisals occur and on-going dialogue to ensure any employment issues are quickly resolved. ACTION: Clerk/Chairman to put Staffing Committee in place as soon as possible.
3	Financial Malpractice	HIGH	<u>Monthly:</u> review of income & expenditure by Full Council. <u>Quarterly:</u> Designated Councillor to undertake detailed review of Bank Reconciliations. <u>Annually:</u> Finance Regulations and Internal Financial Control procedures reviewed and approved by Full Council. <u>Annually:</u> Internal and external audits. <u>Annually:</u> Review assets and insurance cover held.
4	Loss or theft of/inability to access records	HIGH	Important documents and records are kept in a fireproof safe. All minutes since 2010 are held on the Council's website. Regular back-up to One-Drive Cloud Storage. ACTION: Council to consider introducing a Disaster Recovery Plan
5	Loss of Income	MEDIUM	Income and level of reserves is reviewed during the budget process. Precept, which represents majority of income is set by the Full Council in Dec/Jan.
6	Failure to retain or secure the necessary number of members for a Council	HIGH	Clerk maintains an up-to-date Councillor Attendance Register. Clerk or South Oxfordshire District Council advertises for an election immediately a vacancy exists. Members are co-opted where no election is held.

DESCRIPTION OF RISK	RISK/IMPACT LEVEL	MANAGEMENT and/or CONTROL MEASURES
---------------------	-------------------	------------------------------------

ENSURE COMPLIANCE WITH AN ACT OF PARLIAMENT, COUNCIL'S FINANCIAL REGULATIONS AND CODE OF CONDUCT

7	Lack of knowledge and or commitment of regulations, procedures and codes	MEDIUM	Clerk to provide a handbook for all Councillors including Standing Orders, Terms of Reference and Code of Conduct and Finance Regulations. A budget is in place for Councillor training and Councillors are encouraged to attend OALC training courses. The Clerk/RFO (and ideally the Chairman) should be CiLCA qualified.
8	Absence of Standing Orders.	LOW	Standing Orders are produced and adopted by the Council and are circulated to all Councillors on attaining position. Standing Orders are reviewed bi-annually to maintain relevance.
9	Action by the Parish Council outside its powers (Ultra Vires) High Reputational Risk.	HIGH	Clerk monitors relevant legislation, attends training courses and reports to Council. Annual Internal Audit. Councillors to attend any training courses on powers and legislation. The Clerk, RFO (and ideally the Chairman) should all be CiLCA qualified.
10	Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	MEDIUM	Financial Regulations are in place setting financial limits when the Council should obtain quotations and tenders.
11	Lack of Financial Control.	LOW	Invoices initialled by 2 councillors at the meeting where approved for payment. Bank account requires 2 of the 4 approved Councillors to sign-off all payments. Monthly bank reconciliations are performed by the RFO/Clerk and reviewed by a nominated Councillor on a quarterly basis, referencing back to the original invoices.
12	VAT not properly accounted for, resulting in over claims and/or a demand from HMRC.	LOW	Separate accounting column for VAT records, cross-checked when a return is submitted. Submission at least once a year as at 31/Dec (or one interim claim if required).
13	Inappropriate notice of meeting is given	LOW	The meeting Agenda is placed on the village notice boards, emailed to appropriate Councillors and put on to the Council's website giving required notice of each meeting.
14	Minutes are not correctly approved	LOW	Minutes are approved at the next Meeting of the Council. Once approved, minutes are displayed on the Council's website and Noticeboards.
15	Register of interests are not complete or up to date or incorrectly filled out, could result in decisions being void.	LOW	Councillors are legally required to declare an interest in any item of business and this is recorded in the Minutes. Completed Register of Interests forms are submitted to SODC Monitoring Officer.
16	Inadequate security of data (IT systems and support) - GDPR breach.	MEDIUM	Confidential documents are stored in a locked filing cabinet. Computers are password protected. No personal email addresses are used - XYZ@astonrowantparishcouncil.gov.uk only. Anti-virus protection installed and operating systems regularly updated and up to date. Cyber Security insurance is held.
17	Payments made without prior approval and adequate control	LOW	The RFO ensures that all payments are approved in Council meetings and a list of payments approved signed by the Chairman as part of the meeting minutes. Payments must be authorised by two signatories.

DESCRIPTION OF RISK	RISK/IMPACT LEVEL	MANAGEMENT and/or CONTROL MEASURES
---------------------	-------------------	------------------------------------

GOVERNANCE AND MANAGEMENT

18	Lack of knowledge by Councillors on their role, responsibility and accountability	MEDIUM	All Councillors are given a copy of The Good Councillor's Guide and the 2018 Good Councillor's guide to finance and transparency. Councillors are encouraged to attend relevant training courses. ACTION - Clerk to maintain a Training Matrix / Log for each Councillor
19	Lack of engagement by Councillors in the operation and activities of the Parish Council	LOW	Clerk maintains register of non-attendance. All Councillors encouraged to take an active role on committees.
20	Lack of engagement by Councillors and Residents on major items of public interest	MEDIUM	Activities and meetings are published on village notice boards and website. Regular postings on Parish & Village Facebook sites by the Clerk.
21	Impact of Public spending cuts	MEDIUM	The annual detailed budget process is managed by the RFO, it involves all Councillors and is signed off by the Full Council. Finance Regulation procedures ensure tenders and contracts obtain value for money. Opportunities for efficiency savings should be explored by the Council.
22	Inadequate insurance cover	MEDIUM	The council uses a specialist package for local councils to cover all expected risks. Appropriate insurance cover implemented for all new assets. Risk Assessments are reviewed annually by the Clerk and relevant Councillors. A fixed asset register is maintained detailing all fixed assets held by the Council.
23	Lack of appropriate financial controls and reporting	MEDIUM	The Full Council review and approve Internal Controls annually. Financial Regulations are adopted from the NALC standards and reviewed annually. The RFO presents monthly Income & expenditure reports to the Full Council detailing variances from budgets. Annual internal and External Audit and quarterly overview of bank reconciliations.
24	Lack of engagement/knowledge of residents concerns and views	LOW	Public Open Forum Sessions are held as part of each Council meeting. All agendas are displayed on village notice boards and minutes and agendas are posted on the website and the Council's Social Media platform(s).
25	Residents not informed of use of funds/public money.	MEDIUM	Public Participation Sessions are a part of each Council meeting. Annual Assembly meeting involving public where objectives for the year are outlined. Budget & Precept fully discussed at meetings and results displayed accordingly.
26	Lack of commitment by Councillors to the budgetary process	MEDIUM	In September/October/November the Clerk/RFO to request all Councillors and Committees to consider any items for inclusion for the budget giving the opportunity for all Councillors to input to the budget process. A detailed budget to be produced and submitted to Full Council for approval, to be circulated to all Councillors ahead of the budget setting meeting.
27	Inadequate internal controls with regard to monitoring expenditure.	MEDIUM	Full Council review Internal Controls annually. All payments are reviewed by Full Council and bank signatories review invoices prior to authorisation of cheques. Payments are displayed on the Council website. RFO performs monthly bank reconciliation which is authorised by the Clerk and reviewed quarterly by nominated councillor. RFO presents Income & expenditure reports to full

			Council detailing variances from budget and produces a quarterly report with explanations of key variances. Annual internal and external audit.
	DESCRIPTION OF RISK	RISK/IMPACT LEVEL	MANAGEMENT and/or CONTROL MEASURES
28	Costs for election of Councillors exceeds budget	MEDIUM	In an election year, estimated costs obtained from the Electoral Officer and included in the budget. In other years, the Council provides a sum within its budget to meet possible costs.
29	Reserves too high/low.	MEDIUM	RFO considers three-year budget and reserve holdings in line with planned expense. External audit requires explanation for high or low reserves. ACTION: Consider the implementation of a Reserves Policy and a 3-year rolling budget
30	Failure to ensure that all employees are paid in accordance with Council regulations and are adequately monitored	LOW	Parish Council employ external payroll service. A Contract of Employment and Job Description is agreed for all staff. Employee regulations are available and understood by the Clerk. All changes to pay and conditions are agreed by the Staffing Committee and the staff member..
31	Failure to ensure that year end accounts are correctly prepared.	MEDIUM	RFO has attended year end Parish Council accounts training course. The Council use a bespoke accounts package which is formatted to be compliant with audit requirements, with ongoing support in the use of the accounts package. Financial reports are presented to all Parish Council meetings during the year. Annual Internal Audit report, Financial Statements and the Annual Return (AGAR) are circulated prior to presentation for sign off of year end accounts by Full Council. ACTION: Clerk to investigate and present to council on specific accounts packages.
32	Failure to identify, value and maintain all assets of the Parish Council, and ensure that asset and investment registers are complete.	MEDIUM	A fixed asset register is maintained and should be revised further to 2023 Internal Audit recommendations. Assets on the register are physically verified on an annual basis by Council staff. In addition Councillors perform an annual review of the state of repair of assets as part of the budget process.

	DESCRIPTION OF RISK	RISK/IMPACT LEVEL	MANAGEMENT and/or CONTROL MEASURES
--	---------------------	-------------------	------------------------------------

PHYSICAL EVENTS

33	Damage or injury to third parties	MEDIUM / HIGH	<p>Public Liability Insurance with annual check on level of cover in place. Play equipment is ROSPA checked annually and bi-weekly inspection of play equipment is performed by Council Officers/Play Area Committee. Hillwerke Recreational Trust is responsible for annual Portable Appliance Tests (PAT) on electrical equipment at village hall, fire risk assessment, commercial hirers of village hall and provide insurance. Clerk has level 2 Risk Assessment qualification.</p>
34	Loss or damage of Council equipment and assets	MEDIUM / HIGH	<p>All assets are covered by Council insurance. <u>Village Hall:</u> Regular maintenance of equipment; PAT on electrical equipment annually; maintenance contracts are in place for security alarms and firefighting equipment - all to be undertaken by Hillwerke Recreational Trust. <u>Other Assets:</u> Play equipment is ROSPA checked annually and checked by Council Officers/Play Area Committee. A fixed asset register is held which is compared with detailed insurance valuation for each asset / class of asset . Assets on the register are physically verified on an annual basis by Council staff.</p>