

HOTON PARISH COUNCIL RISK ASSESSMENT

Purpose of the document

This document has been produced to enable the 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

SUBJECT	RISK(S) IDENTIFIED	Probability H/M/L	Impact H/M/L	MITIGATION	CONTIGENCY	REVIEW/ASSESS/REVISE
Precept	Adequacy of Precept	L	L	Sound budgeting to underlie the annual precept. A draft budget for the next financial year, on which the precept is based, is presented at the November Council meeting. This includes the current financial position and projected position to the end of the current year. With this information, the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to the budget headings, also ensuring that adequate reserves are maintained to be in a financial position to deal with any unforeseen circumstances or increase in costs. The final draft is presented at the January meeting and precept is set on the basis of this budget.	Obtain additional funds e.g. grants	Existing procedure adequate.
	Requirements not submitted to CBC	L	L	The Clerk submits the precept request to Charnwood Borough Council by the deadline set by that council.	Review with CBC & obtain a postponement	
	Amount not received	L	M	Ensure adequate reserves to be able to function if not received.	Obtain funds through grants etc.	

Financial records	Failure to maintain adequate records	L	L	The Council's own Financial Regulations and JPAG Practitioners' Guide to Proper Practices set out the requirements and are followed by the clerk. Internal audit review in place.	Review processes to ensure error not repeated. Financial Regulations to be reviewed annually.	
	Financial irregularities	L	L	Internal audit carried out by a competent person appointed by the council in accordance with the Governance and Accountability for Smaller Councils. This is reported, and signed if accepted, at a full council meeting. Bank reconciliations are presented at each Parish Council meeting.	Ensure internal auditor has access to latest regulations	Existing procedure adequate.
Bank and banking	Inadequate checks	L	L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of Accounts. Cheques require two signatories. Bi-monthly bank reconciliations are presented and signed at council meetings.	Internal auditor should be sent information more than once a year	
	Bank mistakes	L	L	Any errors in processing cheques are discovered when the Clerk prepares the cash book monthly, these are dealt with by informing the bank and monitoring the correction.	Change bank	
	Loss	L	L	Whilst the council has adequate procedures to minimise loss, the bank may fail to follow its own procedures. All accounts that a signatory has with the bank are linked internally.	Regular review of bank procedures. Remove all councillors who have personal accounts with the bank from the bank mandate.	
	Failure to update signatories	M	H	The bank signatory list should be monitored and changed as soon as possible after the resignation or appointment of a councillor.	Review process for when number of councillors limited	
	Clerk as a signatory	L	L	Chairman manages Clerk to ensure that the Council is reliant on trust that the Clerk does not sign cheques.	The councillors should study the accounts presented at meetings to ensure no unauthorised transactions have occurred.	

Reporting and auditing	Inadequate communication	L	L	Forecasts to the year-end are reported at each ordinary meeting of the Council. The budget headings and amounts are reviewed regularly throughout the year.		
	Internal audit	L	L	The Council reviews its internal audit arrangements annually. A letter of engagement setting out the requirements of the internal audit is sent.	Internal audit should be an ongoing process throughout the year.	
	Annual return (AGAR) not completed on time	L	L	The Annual Return is completed and signed by the Council and published on noticeboards and the website prior to 1 st July. Arrangements in place for inspection under elector's rights.		
Direct costs	Goods/services not supplied but billed	L	M	The clerk monitors invoices against the work carried out.	Clerk or councillor ordering the goods contacts the supplier to rectify. Provide an improved process for monitoring the supply of grounds maintenance against invoices billed.	
	Cheque written for the wrong amount	L	M	Invoices are presented with the cheques for signing to enable councillors to cross-check the amount paid.		A councillor should check the cheques before signing.
	Theft of cash	L	L	No cash is kept. Two signatures required on all cheques.		
Best value accountability	Work awarded incorrectly	L	L	3 quotations are required to be obtained for all goods and services over £500.		
	Overspend on services	M	M	Clerk monitors the expenditure against the contract and reports to the Council if there are any discrepancies.		
Clerk	Fraud	L	L	Financial documents are presented regularly to councillors at meetings.	Fidelity Guarantee Insurance (Employee Dishonesty Insurance) is in place	Exclusions in the policy: check documents prior to signing.
	Actions undertaken	L	L	Clerk should be provided with relevant training, reference books, access to assistance and legal advice.		

Election costs	Risk of an election	M	M	The estimated cost of four-yearly elections is accrued through the annual budget. Proactively recruit new councillors	Budget for an interim election due to the low number of councillors, as advised by CBC.	
VAT	Failure to reclaim	L	L	VAT is claimed annually following the year end and reported to the Council when received.		
PAYE	HMRC requirements	L	L	The payroll is carried out by the clerk and submitted to HMRC monthly. P60s and P45s generated in April or when an employee leaves. Notices of coding filed and enacted.		
Insurance	Adequacy and compliance	L		An annual review is undertaken of all insurance arrangements in place: employer's liability; public liability and a fidelity guarantee are in place.	Review of the value of assets insured carried out at least once every three years.	

PHYSICAL EQUIPMENT OR AREAS

SUBJECT	RISK(S) IDENTIFIED	Prob H/M/L	Impact H/M/L	Mitigation	Contingency	REVIEW/ASSESS/REVISE
All Assets	Loss or damage to physical assets	M	L	Asset register maintained. Assets inspected (annually) & maintained. Insurance available.		A comprehensive assessment of the replacement value of assets was carried out in 2022.
Playing field and play equipment	Poor performance of assets.	M	M	Weekly visual checks are carried. These are reported at council meetings. An annual BS EN 1176 & BS EN 15312 inspection is carried out by a someone who holds the Register of Play Inspectors International Certificate. All reports are presented to the Council and any necessary repairs are actioned/authorised. A check of the area is carried out following adverse weather conditions and any action required reported to the clerk. Tree surveys are carried out by a competent agrobiologist.	Have a professional tree survey every three years. Carried out 2024.	Method of reporting the safety checks needs to be reviewed and improved. Monitoring of repairs required. These are now both on a standing agenda item for each Parish Council meeting.

Playing field and play equipment	Risk to third parties	L	H	Ensure adequate insurance available.		
Paper records	Loss through: theft, fire or damage.	L	L	The Council's records paper records are stored at the home of the Clerk. These include: historical correspondence, minute books and copies, leases for land, financial records.	Provide electronic backup copies of key documents	
Electronic records	Loss through: hard drive failure; theft/damage of laptop; accidental erasing; or virus/hacking.	M	L	The Council's laptop is backed onto OneDrive. Most documents are uploaded onto Lighthouse, providing a 'second' copy. The laptop has basic anti-virus software which auto-updates. Laptop solely used for parish council business.		The clerk should undertake cyber security training. Passwords to be changed regularly.

LIABILITY

SUBJECT	RISK(S) IDENTIFIED	Prob H/M/L	Impact H/M/L	Mitigation	Contingency	REVIEW/ASSESS/REVISE
Legal powers	Illegal activity or payments	L	L	All payments are approved at council meetings and recorded in the minutes. Standing Orders and Financial Regulations in place. Internal audit carries out a sample check of expenditure against decisions in minutes. Clerk's duty to remind councillors of the constraints.		Power of competence no longer applies. Clerk to review legal power for all expenditure. Assess if audit trail can be improved.
Actions of third parties	Damage, or breach of contracts, by a third party may result in loss of income or incur additional expenditure	L	L	Contractors must provide evidence of an appropriate level of third-party public liability insurance. Copies kept by the clerk. Damage to assets is insured.		The standard of and date of completion of work needs to be monitored before payments made. Action on loss of income from PCC needs to be considered.
Public liability	Damage to third-parties or their property as a result of a service provided by the council.	L	L	Insured risk. Also assessed under 'assets' and 'playing field' above.		Our responsibilities as per the insurance policy need to be assessed and reviewed.

Councillor obligations	Register of interests, acceptance of office, register of gifts and hospitality	M	L	Register of member's interests is completed after election and co-options and returned to the Borough Monitoring Officer within 28 days of signing the Acceptance of Office. Review of the accuracy of the register of interests is an agenda item every six months.		
	Declaration of interests	L	L	Councillors declare any interest at the start of the meeting.		The current small number of councillors will make it almost impossible to discuss an item unless dispensation is given by the clerk under standing orders.
Data Protection	Failure to register	L	L	The Council is registered with the Information Commissioner		
GDPR	Failure to comply	M	M	A data audit was carried out by the previous clerk on introduction of the legislation. Privacy notices are on the website.		Clerk needs GDPR training to review for compliance. The lawful basis for processing data needs monitoring and regularly checked for data that needs deleting.
	Data breach	M	M	Data is held on a password protected laptop. Councillors and clerk are aware that they must not pass on personal data without permission of the individual concerned.		
Employment legislation	Failure to comply	L	L	The clerk has a contract of employment. The council has a grievance policy.		
Freedom of information	Failure to comply	L	L	The council has adopted the model publication scheme for local councils. The Council's Freedom of Information Policy is published on the Council's website.		
	Provision	L	M	There is a cost of the clerk's time in providing the information.	Monitor and report any impacts of requests made.	
Transparency Code	Non-compliance	L	H	The Council publishes: all items of expenditure above £100, end of year		The requirement to publish all meeting

				<p>accounts; annual governance statement (AGAR); internal audit report; list of councillor or member responsibilities; the details of public land and building assets; minutes and agendas of all formal meetings.</p> <p>All documents relating to meetings are required to be published on the council's website.</p>		<p>papers on the website is not met. The clerk adds a note to the agenda that the information is available on request. The clerk's hours would need to increase to create time to meet the regulations.</p>
Meetings Statutory requirements	Non-compliance	L	L	<p>Councillors are summoned to meetings as prescribed in legislation; the agenda is published on the Council's website within the required timescale and also posted on the noticeboards in the village. Meeting minutes are published on the website within of a meeting four weeks. Draft minutes are uploaded onto the website within the required timeframe and replaced by the final approved minutes when appropriate.</p>		