

WELTON-BY-LINCOLN PARISH COUNCIL RISK ASSESSMENT

Mission Statement of Parish Council:

To provide services for, and manage and maintain the assets of, the village of Welton-by-Lincoln, within the resources provided by the annual precept and other incomes, taking into account the wishes of the residents and obtaining value for money.

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible
1. To ensure compliance with the Acts of Parliament, 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.	Chairman PO (Proper Officer)
	2. Absence of Standing Orders	Ensure that Standing Orders are produced, understood by Councillors, and reviewed at least once per year.	Chairman PO
	3. Actions by the PC outside its powers laid down by Parliament.	As at 1 above, but ensure that powers are highlighted or extracted into effective summary.	Chairman PO
	4. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.	Chairman All Councillors PO
	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. Introduce practice of estimates for all purchases over an agreed figure.	PO RFO (Responsible Financial Officer)
	6. Payments made without prior approval and adequate control.	Ensure all payments are approved in Council meetings and recorded in minutes. Keep cash payments to a minimum, and avoid if possible.	PO RFO Internal Auditor
	7. Lack of control of signatories to cheques.	Keep authorised signatories to a minimum consistent with practicalities.	PO RFO
	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.	PO RFO Chairman Internal Auditor

<p>3. To influence other council departments and Government organisations to fulfil the requirements of the Parish population.</p>	<p>1. Lack of effective lines of communication with other organisations.</p> <p>2. Lack of effective lines of communication with parishioners.</p> <p>3. Lack of preparation on subjects requiring influence.</p> <p>4. Lack of confidence by Parish Councillors.</p>	<p>Note all communication lines which are essential or beneficial and make information available to all Councillors. Establish contacts by name and where possible face-to-face.</p> <p>Take every opportunity to publicise role of Parish Council. Effective use of Notice Boards and Welton News. Use key issues to raise profile of PC and to test parishioner's views. Add social event to occasional meeting. Parish Plan Action Tasks.</p> <p>Ensure that all Councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion.</p> <p>As at 1. above.</p> <p>Experienced Councillors to assist newcomers to establish essential contacts.</p>	<p>PO</p> <p>PO</p> <p>Committees</p> <p>PO</p> <p>PO</p> <p>Chairman Councillors</p>
<p>4. To ensure that all Councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.</p>	<p>1. Lack of knowledge of possible culpability of Councillors.</p> <p>2. Lack of education of Councillors regarding culpability.</p> <p>3. Inadequate insurance cover taken out – property, personal liability, employer's liability.</p>	<p>Creation of Standing Orders and familiarisation with those where greatest risk occurs.</p> <p>As at 1. above. Delegate responsibility to one or two councillors to assist newcomers to understand culpability. Attend any training courses available.</p> <p>Review risk assessment by including on agenda of PC meetings at least annually.</p>	<p>Chairman PO</p> <p>Chairman PO</p> <p>Chairman PO RFO</p>
<p>5. To keep appropriate books of account accurately and up-to-date through out the financial year.</p>	<p>1. Lack of knowledge of accounting requirements</p>	<p>Ensure that all Councillors are familiar with current financial regulations and include them in Standing orders. Regularly review Standing Orders.</p>	<p>Chairman PO Councillors</p>

	2. Lack of commitment to accounting requirements.	As at 1. above. RFO to produce financial reports at all meetings. Internal audit reports to be made available to all Councillors and any recommendations to be acted upon promptly.	Chairman PO RFO Internal Auditor
	3. Bank charges unnecessarily incurred	RFO to carry out regular inspection of books of account. Internal audit to be undertaken monthly during the current financial year.	Chairman PO RFO Internal Auditor
	4. Inaccuracies in recording amounts, totals in books of account and bank reconciliations.	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required.	Chairman PO RFO Internal Auditor
	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. Review regularly.	Chairman PO RFO Internal Auditor
	6. The most beneficial interest terms not being employed.	Ensure that a favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.	Chairman PO RFO Internal Auditor
	7. Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum balance.	Chairman PO RFO Internal Auditor
	8. Books of account not kept up to date/ invoices not posted promptly.	Regular checks by RFO and internal auditor. Financial reports at all PC meetings.	Chairman PO RFO Internal Auditor
	9. Internal controls not in place or not operated.	As at 8. above.	
	10. Payments missed or delayed due to inadequate filing of invoices.	As at 8. above.	
	11. Clerk taken ill or leaves without replacement	Appoint a Councillor or other employee to be familiar with all aspects of financial matters.	Chairman PO Council

<p>6. To ensure that payments made from Council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the residents.</p>	<p>1. Lack of knowledge of wishes of residents.</p> <p>2. Use of funds not giving value for money.</p> <p>3. Use of funds not in accordance with the wishes of the residents</p> <p>4. Charges for use of facilities inadequate.</p> <p>5. Fund raising not properly controlled or not in accordance with regulations.</p>	<p>As at 3.2 Ensure residents are consulted on all major financial issues.</p> <p>Effective budget planning processes. Creation of annual plan after consultation process. Creation of outline 2/3 year plan.</p> <p>As at 2 above RFO to create effective financial management. Internal audit checks to cover consultation process.</p> <p>Effective financial management by RFO. Internal audit checks.</p> <p>All Councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.</p>	<p>Chairman Council PO RFO</p> <p>Chairman Council RFO Internal Auditor</p> <p>Chairman Council RFO Internal Auditor</p> <p>Chairman Council RFO Internal Auditor</p> <p>Chairman Council RFO Internal Auditor</p>
<p>7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.</p>	<p>1. Lack of knowledge of budgetary process, and Council regulations.</p> <p>2. Lack of commitment to budgetary process.</p>	<p>Include regulations in Standing Orders issued to all Councillors. Place item on agenda early in year to remind Councillors of budget process and actions required. Delegate responsibility for managing budgetary process to Committee Chairman or Vice-Chairman</p> <p>As at 1. above Involve all Councillors in budgetary process not solely the Clerk.</p>	<p>Chairman Council PO RFO</p> <p>Chairman Council PO RFO</p>

	<p>3. Inadequate consideration of requirements for annual precept.</p> <p>4. Calculation not in accordance with Council regulations.</p> <p>5. Inadequate internal controls with regard to monitoring expenditure.</p> <p>6. Reserves too low.</p>	<p>Place item on agenda early in year to remind Councillors of budget process and actions required. Delegate responsibility for managing budgetary process to Committee Chairman or Vice-Chairman Start consideration of calculation at least 4 months prior to submission date.</p> <p>Checks by RFO and Internal Auditor.</p> <p>Checks by RFO and Internal Auditor. Financial and budget progress reports to all PC meetings.</p> <p>As at 5 above.</p>	<p>Chairman Council RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p>
<p>8. 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. Lack of commitment to pursue possible sources of income.</p> <p>3. Receipts not banked or not banked promptly.</p> <p>4. Debts not pursued promptly.</p> <p>5. VAT claims not made promptly or made incorrectly.</p>	<p>Appoint a Councillor as Grants Officer to gain experience of all grants available and application procedures.</p> <p>As at 1.</p> <p>Regular checks by RFO. Internal audit checks.</p> <p>As at 3 above.</p> <p>Ensure the Clerk has appropriate and up-to-date VAT official publications.</p>	<p>Chairman RFO PO</p> <p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p>

<p>9. 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>2. Tax and NI arrangements not in accordance with regulations.</p> <p>3. Amounts paid to contractors not in accordance with contract and inadequately monitored.</p>	<p>Ensure employee regulations are available and understood by the Clerk. Checks by RFO. Internal audit checks.</p> <p>As at 1 above.</p> <p>Internal audit checks. Checks by RFO.</p>	<p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p>
<p>10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.</p>	<p>1. Lack of knowledge of Council regulations and procedures.</p> <p>2. Late or non-submission of annual accounts.</p> <p>3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.</p> <p>4. Inadequate audit trail from records to final accounts.</p>	<p>Include financial regulations in Standing Orders. Attend training seminars where available.</p> <p>Include a timetable in Standing Orders. RFO to monitor progress against timetable and report to PC meetings.</p> <p>Checks by RFO. Internal audit checks.</p> <p>As at 3 above.</p>	<p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p>
<p>11. 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>	<p>1. Lack of knowledge of assets of Parish Council.</p> <p>2. Assets lost or misappropriated</p> <p>3. Inadequate or inaccurate valuation of the Council's assets.</p> <p>4. Asset register not established or inadequately maintained.</p>	<p>Ascertain and record all assets for which the Parish Council is responsible. Create permanent asset register.</p> <p>Establish who is responsible for security and maintenance of each asset. Appoint councillor responsible for regular monitoring of location and use of assets.</p> <p>Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.</p> <p>Create asset register in accordance with Audit Commission requirements.</p>	<p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p> <p>Chairman RFO Internal Auditor</p>

<p>12. 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. Lack of public awareness of applicable legislation.</p> <p>3. Failure to comply with applicable legislation.</p>	<p>Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at PC meetings.</p> <p>Include, as appropriate, in any public consultations.</p> <p>As at 1 above</p>	<p>Chairman PO RFO</p> <p>Chairman PO RFO</p>
<p>13. To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.</p>	<p>1. Lack of information on properties, buildings and equipment.</p> <p>2. Lack of knowledge of safety requirements.</p> <p>3. Lack of commitment to carrying out safety checks.</p>	<p>Ensure that the Clerk holds all current legislation and advice. Include in asset register all properties for which PC responsible.</p> <p>Ensure that the Clerk holds all current legislation and advice. Place subject as item on PC meeting agenda at regular intervals.</p> <p>As at 2. above. Delegate responsibility for particular properties to dedicated Committee.</p>	<p>Chairman PO</p> <p>Chairman PO</p>