FALDINGWORTH PARISH COUNCIL RISK MANAGEMENT SCHEDULE

Risk Status Indications

The adopted risk management methodology uses a traffic light colour against each risk item to confirm its current status.

The colour coding is defined as follows:

- This identified risk is being effectively managed with adequate reviews, processes and/or documentation as appropriate.

- *As applicable, either*

  This identified risk is being managed. However, there are aspects of risk management, which ought to be improved to achieve a green status. It is recognised that sometimes improvements may be difficult to achieve and remedial work may take time (e.g. a need for Councillor training).
  or
  This identified risk is not under adequate management. However, if this risk arises, it will have a minimal impact upon the Council. Whilst attempts can be made over time to improve the management of this risk, there may be occasions where the cost of mitigation is not warranted (e.g. holding spare parts or equipment).

- This identified risk, which has a serious potential impact upon the Council is not under adequate management. This represents a key risk, which will be highlighted to meetings of the Council until such time that it is adequately managed or mitigated. Certain key risks with a low probability may be entirely beyond the management control capability of the Council – such risks may retain a red status upon the agreement of Council.

Mission Statement of Faldingworth Parish Council:

To provide services for, and manage and maintain the Council assets of, the village of Faldingworth, 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 OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
1. To ensure compliance with Acts of Parliament, other legislation, the Council's Standing Orders, Financial Regulations and Code of Conduct. *Including:* *Freedom of Information* *Data Protection* *Child Protection* *Protection of vulnerable people* *Local government legislation* *Equality of opportunity* *Racial equality* *Disability legislation*	a. Lack of knowledge of regulations and codes.	Ensure that all Councillors have copies of or access to relevant information through LALC, copies of the adopted Code of Conduct, Financial Regulations and Standing Orders and a copy of the latest edition of the Good Councillors Guide. Highlight essential parts and provide specific training where possible.	Clerk Chair All Councillors LALC	
	b. Absence of Standing Orders	Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.	Chair Clerk	
	c. Actions by the Council outside its powers as set out by Parliament.	As at 1a above, but ensure that, as necessary, powers are highlighted or extracted into an effective summary.	Chair Clerk	
	d. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Appropriate delegation of responsibilities to councillors and committees. Compliance with appropriate procedures.	Chair Clerk All Councillors	
	e. 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	Chair Clerk All Councillors	
	f. Payments made without prior approval and adequate control.	Ensure all payments are approved in accordance with the Financial Regulations and properly recorded. Keep cash payments to a minimum and avoid if possible.	Chair Clerk/ RFO	
	g. Lack of control of signatories to cheques.	Keep authorised signatories to a minimum but consistent with practicalities.	Chair Clerk/ RFO	
	h. VAT not properly accounted for, resulting in over-claims and large demands from HMRC.	Ensure appropriate publications held and that Clerk/RFO has a good knowledge of regulations.	Chair Clerk/ RFO	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
2. To identify and regularly review the Council's priorities and risks.	a. Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievement.	All councillors to be made aware of need for objectives and identification of risk.	Chair Clerk All Councillors	
	b. Lack of commitment by council members	Attend training sessions and refresher training.	Chair Clerk All Councillors	
	c. No risk analysis carried out.	Add risk assessment to agenda at least quarterly, reviewing particular items, and results against those items. As at 2a above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission	Chair Clerk All Councillors	
	d. No steps taken to combat identified risks	As at 2b above.	Chair Clerk All Councillors	
	e. An inadequate complement of councillors to manage the business of the council	All councillors to strive to work in a constructive manner in accordance with the Code of Conduct and to welcome and encourage new councillors. All councillors to cooperate to share the workload.	Chair Clerk All Councillors	
3. To influence others, such as local and County Councils and other Government organisations to recognise the requirements and interests of the local population.	a. Lack of effective lines of communication with other organisations.	Note all communication lines which are essential or beneficial and establish/maintain contacts by name and where possible face-to-face.	Chair Clerk All Councillors	
	b. Lack of effective lines of communication with parishioners.	Take every opportunity to publicise role of Parish Council using the website social media, notice boards, "flyers" and the Annual Parish Meeting. Use key issues to raise the profile of PC and to test parishioners' views.	Chair Clerk All Councillors	
	Lack of preparation on subjects requiring influence.	Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information.	Chair Clerk All Councillors	
	d. Lack of confidence by Parish Councillors	Experienced councillors and Clerk to assist newcomers to understand roles and	Chair Clerk All Councillors	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
		responsibilities, to establish essential contacts and to gain procedural awareness.		
4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all likely risks.	a. Lack of knowledge of possible culpability of councillors.	Creation of Standing Orders and Code of Conduct and familiarisation with those matters where greatest risk occurs.	Chair Clerk	
	b. Lack of education of Councillors regarding culpability.	Experienced councillors and Clerk to assist newcomers to understand culpability. To attend training courses and refresher training as available (see LALC annual training scheme).	Chair Clerk All Councillors	
	c. Inadequate insurance cover taken out – property, personal liability, employer's liability.	Review risk assessment by including on agenda at least quarterly. Delegate responsibility for keeping up-to-date with insurance requirements to the Policy & Resources Committee.	Chair Clerk All Councillors	
	d. Councillors fail to declare interests and participate in inappropriate decision making, which has a material impact upon the decisions taken and the public perception of the Council.	All councillors to be reminded to abide by the Code of Conduct and the register of interests and to be alert to potential breaches of both. As far as is possible, the Clerk to ensure the register of interests are complete and up to date.	Chair Clerk All Councillors	
5. To keep appropriate books of account accurately and up-to-date throughout the financial year. To maintain secure banking facilities.	a. Lack of knowledge of accounting requirements	Ensure all councillors are familiar with current Financial Regulations. Regularly review Standing Orders and Financial Regulations.	Chair Clerk All Councillors	
	b. Lack of commitment to accounting requirements.	Ensure all Councillors are aware of the lack of cover under the Financial Services Compensation Scheme. As at 5a above. RFO to produce financial reports at all Council meetings.	Chair Clerk All Councillors	
	c. Bank charges unnecessarily incurred	Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly. RFO to carry out regular inspection of books of account.	Chair Clerk/RFO	
	d. Inaccuracies in recording amounts and totals in books	RFO to ensure that books of account are formatted in such a way that internal controls are	Chair Clerk/RFO	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
	of account. Bank reconciliations unavailable	included and activated. Internal audit to be undertaken every six months.		
	e. Inaccuracies and interest losses caused by account transfers	Regular internal audits to advise on internal controls required.	Chair Clerk/RFO	
	f. To ensure that the banking facilities of the Council are secure and offer value for money.	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest-bearing account. Using information available in the public domain, the RFO to periodically review the Councils banking arrangements in respect of achieving both value for money and security, but noting that changing accounts may itself incur some risks.	Chair Clerk/RFO	
	g. Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible. Where cash receipts are unavoidable to record each receipt into a cash book and to issue the payee with a paper receipt. Cash payments, if unavoidable, shall be claimed as expenses by Officers and Councillors with receipts being presented as evidence.	Chair Clerk/RFO	
	h. Books of account not kept up to date/ invoices not posted promptly.	Regular checks by RFO and internal auditor.	Chair Clerk/RFO	
	i. Internal controls not in place or not operated.	Financial reports at all Council meetings.	Chair Clerk/RFO	
	j. Payments missed or delayed.	As at 5h above.	Chair Clerk/RFO	
	k. RFO taken ill or leaves without replacement	The internal auditor can be called upon for advice. Other Officers and Councillors to be familiar with all aspects of financial matters. Local Procedures to exist to explain processes. Key Man insurance cover is included in the Council's policy, to obtain a stand in person. Electronic payments will be unavailable, but cheque payments can still be made as usual.	Chair Clerk/RFO	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
		Electronic bank statements are available to other on line users (3 Councillors).		
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.	a. Lack of knowledge of wishes of residents.	As at 3b above Ensure residents and other stakeholders (i.e. local organisations) are consulted on major financial issues, which impact upon them.	Chair Clerk/RFO All Councillors	
	b. Use of funds not giving value for money.	Effective budget planning processes and appropriate tendering. Creation of a rolling plan for projects and maintenance expenditure.	Chair Clerk/RFO All Councillors	
	c. Use of funds not in accordance with the wishes of the residents.	As at 2a above. As at 6a above.	Chair Clerk/RFO All Councillors	
	d. Charges for use of facilities inadequate or excessive.	Effective financial management by RFO. Internal audit checks.	Chair Clerk/RFO All Councillors	
	e. Fund raising not properly controlled or not in accordance with regulations.	All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.	Chair Clerk/RFO All Councillors	
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.	a. Lack of knowledge of budgetary process, and of Council regulations.	Ensure regulations are issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required. Encourage councillor training. Delegate responsibility for managing the initial budgetary process to the RFO.	Chair Clerk/RFO All Councillors	
	b. Lack of commitment to budgetary process.	As at 7a above Involve all councillors in budgetary process, not solely the Clerk/RFO.	Chair Clerk/RFO All Councillors	
	c. Inadequate consideration of requirements for annual precept.	Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing the initial budgetary process to the RFO. Start budget build in November well ahead of submission date.	Chair Clerk/RFO All Councillors	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
	d. Calculation not in accordance with Council regulations.	Checks by RFO and Internal Auditor.	Chair Clerk/RFO All Councillors	
	e. Inadequate internal controls with regard to monitoring expenditure.	Checks by RFO and Internal Auditor. Financial and budget progress reports to all Council meetings.	Chair Clerk/RFO All Councillors	
	f. Reserves too low or too high	The general reserve (not earmarked) to be at least 25% of typical annual income or as otherwise advised by the RFO / Internal auditor. The general reserve (not earmarked) not to exceed 75% of typical annual income or as otherwise advised by the RFO / Internal auditor.	Chair Clerk/RFO All Councillors	
8. To explore all possible sources of income and ensure that expected income is fully received.	a. Lack of knowledge of possible sources of income e.g. grants.	Encourage training to gain experience of all grants available and application procedures.	Chair Clerk/RFO All Councillors	
	b. Lack of commitment to pursue possible sources of income.	As at 8a above.	Chair Clerk/RFO All Councillors	
	c. Receipts not banked or not banked promptly.	Regular checks by RFO and Council. Internal audit checks.	Chair Clerk/RFO All Councillors	
	d. Debts not pursued promptly.	As at 8c above.	Chair Clerk/RFO	
	e. VAT claims not made promptly or made incorrectly.	Ensure Clerk has appropriate and up-to-date VAT official publications. Regular checks by RFO. Internal audit checks.	Chair Clerk/RFO	
9. To ensure that salaries paid to employees and amounts paid to contractors are paid in line with Council regulations and budget	a. Inappropriate rate of pay to employees.	Ensure employee regulations are available and understood by Clerk. Checks by RFO. Internal audit checks.	Chair Staffing Committee	
	b. Tax and NI arrangements not in accordance with regulations.	As at 1 above.	Chair Staffing Committee	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
and statutory legislation. Ensure payments are adequately monitored.	c. Amounts paid to contractors not in accordance with contract and inadequately monitored.	Checks by RFO and internal audit.	Chair Clerk/RFO All Councillors	
10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	a. Lack of knowledge of Council regulations and procedures.	Compliance with Financial Regulations and Standing Orders. Attend training seminars where available.	Chair Clerk/RFO All Councillors	
	b. Late or non- submission of annual accounts.	Compliance with the instructions of the External auditor. RFO to monitor progress against timetable and report to Council meetings.	Chair Clerk/RFO All Councillors	
	c. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.	Checks by RFO. Internal audit checks.	Chair Clerk/RFO	
	d. Inadequate audit trail from records to final accounts.	As at 10c above.	Chair Clerk/RFO	
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.	a. Lack of knowledge of assets of Parish Council.	Ascertain and record all significant assets for which Parish council is responsible.	Chair Clerk/RFO All Councillors	
	b. Assets lost or misappropriated	Create and maintain a permanent asset register.	Chair Clerk/RFO All Councillors	
	c. Inadequate or inaccurate valuation of the council's assets.	Establish who is responsible for security and maintenance of each asset. Regular monitoring of location and use of assets by the Policy & Resources Committee.	Chair Clerk/RFO All Councillors	
	d. Asset register not established or inadequately maintained.	Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.	Chair Clerk/RFO All Councillors	
12. To carry out adequate safety checks on the public open space and street furniture owned by the Council.	a. The lack of or an inadequate programme of maintenance allows the persistence of safety hazards (e.g. trip hazards, dangerous trees, faulty gates, faulty seats, faulty bins etc).	Regular checks by Officers and Councillors. Prompt attention to hazards/problems once identified. Prompt attention to issues raised by all users. Engagement of suitable contractors to conduct ongoing maintenance works (including the periodic professional checking of trees).	Chair Clerk/RFO Delegated Councillors	

AIM	RISK	METHOD OF REDUCING RISK	RESPONSIBLE PERSONS	STATUS
13. To carry out adequate safety checks on the children's play areas operated by the Council.	a. An inadequate programme of safety inspections and maintenance (or vandalism) results in an accident and/or an award of damages.	Weekly safety inspections by local staff/contractors backed up by an annual inspection by an accredited playground inspector. Prompt attention to hazards/problems once identified. Ongoing maintenance. Professional specification and installation of equipment. An ongoing programme of equipment replacement as necessary.	Chair Clerk/RFO All Councillors	
	b. The lack of or an inadequate programme of maintenance of the immediate surrounding area allows the persistence of a safety hazard (e.g. trip hazard, sharp object, faulty gate).	Regular checks by Officers and Councillors. Prompt attention to hazards/ problems once identified. Prompt attention to issues raised by all users. Engagement of suitable contractors to conduct ongoing maintenance works.		

