

## SCOTTON PARISH COUNCIL RISK ASSESSMENT

### Mission Statement of Scotton Parish Council:

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

Note in the case where there is no Clerk the Chairman will act in place

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible
<p><b>1.</b> To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	<p>1. Lack of knowledge of regulations and codes.</p>	<p>Ensure that all Councillors have copies of relative Acts, Code of Conduct, Standing Orders and Financial policies. Highlight essential parts and provide training where possible.</p>	<p>Chair Clerk</p>
	<p>2. Absence of standing orders</p>	<p>Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.</p>	<p>Chair Clerk</p>
	<p>3. Actions by the PC outside its powers laid down by Parliament.</p>	<p>As at 1 above but ensure that powers are highlighted or extracted into effective summary.</p>	<p>Chair Clerk</p>
	<p>4. Lack of commitment to regulations and procedures.</p>	<p>Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.</p>	<p>Chair All councillors Clerk</p>
	<p>5. Items purchased without proper tendering procedures, resulting in accusations of commercial favoritism.</p>	<p>Ensure that all councillors are aware of regulations re estimates and full tender procedures. Introduce practice of estimates for all purchases over an agreed figure. Robust procurement policy.</p>	<p>Clerk All councillors</p>
	<p>6. Payments made without prior approval and adequate control.</p>	<p>Ensure all payments are approved in Council meetings and recorded in minutes. Avoidance of cash payments. Where it is unavoidable to demand receipts and proofs before any reimbursement, which would need approval at Full Council.</p>	<p>Chair Clerk</p>
	<p>7. Lack of control of signatories to cheques.</p>	<p>Keep authorised signatories to a minimum consistent with practicalities. Related/married Councillors cannot authorise payments to</p>	<p>Clerk All Cllrs</p>

	<p>8. Lack of control on-line banking</p> <p>9. VAT not properly accounted for, resulting in overclaims and large demands from HMRC.</p>	<p>themselves.</p> <p>Authorised signatories must seek approval before payments may be made on-line. Reports indicating regular or one-off payments to be approved at every meeting. On-line banking policy describing processes and procedures to be followed, available to all Cllrs and updated annually.</p> <p>Ensure appropriate publications held and that Clerk has good knowledge of regulations. Record of VAT to be held and re-claimed as appropriate. Available for scrutiny by all. VAT reclaimed noted at first available Council meeting and rebate allocated to appropriate account, as agreed with Full Council.</p>	<p>Clerk</p> <p>Clerk, all Cllrs</p> <p>Clerk</p> <p>Clerk, all Cllrs.</p>
<p>2. To identify and regularly review the Council's priorities.</p>	<p>1. Lack of knowledge of how to set objectives, set priorities, and identify risks to their achievement.</p> <p>2. Lack of commitment by council members</p> <p>3. No risk analysis carried out.</p>	<p>All councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.</p> <p>Risks assessed continually and summarised annually.</p> <p>As at 1 above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission, as appropriate</p>	<p>Clerk, all Cllrs</p> <p>Clerk, Cllrs</p>

	4. No steps taken to combat identified risks	As at 2. above.	Clerk, Cllrs
3. To influence other council departments and Government organisations to fulfil the requirements of the Parish population.	1. Lack of effective lines of communication with other organisations.	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.	Chair Clerk
	2. Lack of effective lines of communication with parishioners.	Take every opportunity to publicise role of Parish Council. Create Parish newsletter if none exists. Effective use of Notice Boards and “fliers”. Use of Social media website and Facebook page. Add social event to occasional meeting.	All Councillors Clerk
	3. Lack of preparation on subjects requiring influence.	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.	All Councillors Clerk
	4. Lack of confidence by Parish Councillors.	As at 1. above. Experienced councillors to assist newcomers to establish essential contacts. Delegate responsibility for specific contacts to individual councillors Induction process for all new Councillors	Clerk Clerk, Chair All Cllrs Clerk
4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.	1. Lack of knowledge of possible culpability of councillors.	Creation of standing orders and familiarisation with those where greatest risk occurs. Knowledge of GDPR, FOI and Code of Conduct supported by training Policies above kept up to date and reviewed annually.	Clerk, Cllrs Clerk, cllrs Clerk
	2. Lack of education of Councillors regarding culpability.		
	3. Inadequate insurance cover taken out – property, personal liability, employers’ liability.	Understanding of legal requirements. Updating asset register as required and submitting for scrutiny to Council annually. Seek quotes at renewal to ensure cover is adequate and best value for money Attend any training courses available.	Clerk, Cllrs Clerk Clerk Clerk, Cllrs

<p><b>5. To keep appropriate books of account accurately and up to date throughout the financial year.</b></p>	<p>1. Lack of knowledge of accounting requirements</p> <p>2. Lack of commitment to accounting requirements.</p> <p>3. Bank charges unnecessarily incurred</p> <p>4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations.</p> <p>5. Inaccuracies and interest losses caused by account transfers.</p> <p>6. The most beneficial interest terms not being employed.</p> <p>7. Inadequate control of cash receipts and payments.</p>	<p>Ensure that all councillors are familiar with current financial regulations and include them in standing orders. Regularly review standing orders and financial policies. Financial records available for scrutiny at all times. Proper internal and external audit checks, annually. Training to be made available to the Proper Officer and any Cllr unsure of account practices.</p> <p>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. Training to be made available to raise awareness and knowledge.</p> <p>RFO to carry out regular inspection of books of account. To consider current banking arrangements annually to evaluate efficiency, ease of working and value for money.</p> <p>Fully updated income and expenditure cashbook, linked to monthly income and expenditure to check accounts are in order and pick up any errors quickly. Monthly bank and quarterly reconciliations to be available at every Council meeting. Bank statements, invoices, and cheque books always available for scrutiny.</p> <p>To implement any internal controls advised by the internal or external auditor.</p> <p>Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account. Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives but bearing in mind the risks in changing accounts. As at 3.</p> <p>Avoid cash payments and receipts. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum</p>	<p>Clerk, Cllrs Clerk Clerk</p> <p>Clerk, Cllrs Clerk, Cllrs</p> <p>Clerk, Cllrs Clerk Clerk, Cllrs</p> <p>Clerk, Cllrs</p> <p>Clerk Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Cllrs, Clerk Clerk</p>
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	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.	Clerk
	9. Internal controls not in place or not operated.	As at 8. above.	Clerk
	10. Payments missed or delayed due to inadequate filing of invoices.	As at 8. above.	Clerk
	11. Clerk taken ill or leaves without replacement	Chair & named signatories to be familiar with all aspects of financial matters. Scheme of delegation and updated standing orders would deal with this eventuality. Scheme of delegation updated annually. Training on how to proceed should this occur, including how to start the recruitment process.	Clerk, Cllrs  Clerk Clerk, Cllrs
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.	1. Lack of knowledge of wishes of residents.	As at 3.2 Ensure residents are consulted on all major financial issues.	Clerk All Councillors
	2. Use of funds not giving value for money.	Effective budget planning processes. Creation of annual plan after consultation process.	Clerk, Cllrs All Councillors
	3. Use of funds not in accordance with the wishes of the residents	As at 2 above Create effective financial management. Reserves policy to properly explain what is currently held and how it is to be used. To be reviewed annually.	Chair All Councillors
	4. Charges for use of facilities inadequate.	Effective financial management by RFO. Internal audit checks.	Clerk, Cllrs
	5. 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. Training to be made available if needed.	Clerk, Cllrs  Clerk Clerk, Cllrs

<p><b>7.</b> 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>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>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.</p> <p>As at 1. above Involve all councillors in budgetary process not solely the clerk. Preliminary and final budget to be agreed at Full Council meeting.</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 Chair 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. Review of Reserves policy annually.</p>	<p>Clerk</p> <p>Clerk</p> <p>Clerk, Cllrs</p> <p>Clerk</p> <p>Clerk, Chair</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk, Cllrs</p>
<p><b>8.</b> 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>Appoint a councillor as Grants Officer to gain experience of all grants available and application procedures. Training to be made available</p> <p>As at 1.</p>	<p>Nominated Councillor</p> <p>Nominated Cllr.</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>Regular checks by Council, financial reports, bank statements to be presented at every full Council meeting Annual Internal audit checks. As at 3. above.</p> <p>Ensure Clerk has appropriate and up-to-date VAT official publications. Regular checks by any member of the Council.</p> <p>RFO to keep running total of VAT which can be reclaimed and claim rebate when appropriated. Tally to be available for scrutiny at all times and for the annual audit. Internal audit checks.</p>	<p>Clerk, Cllrs</p> <p>Clerk</p> <p>Clerk</p> <p>Cllrs</p> <p>Clerk</p>
<p><b>9.</b> 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 Clerk Employee contract to be reviewed as appropriate.</p> <p>Internal audit checks RFO to keep up to date with HMRC regulations and attend regular training. To send regular reports to HMRC electronically, manage year end and print P45 to all employees at year end.</p> <p>Follow procurement policy and monitor contract, reporting regularly to full council. Internal audit checks Appoint councillor to monitor contract work carried out.</p>	<p>Cllrs, Clerk</p> <p>Cllrs, Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk, Cllrs</p> <p>Clerk</p> <p>Cllrs</p>
<p><b>10.</b> 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>Knowledge of financial regulations and Standing Orders. Attend training if required.</p> <p>To appoint internal auditor early in new financial year. At year end to declare Council exempt, or if Council has exceeded income or expenditure threshold to advise of procedures for external audit review. Process to begin at end of financial year. All regulations to be followed as set by external auditors to avoid missing deadlines.</p> <p>Knowledge of deadlines and accountability throughout the year to ensure accounts are up to date ready for year end.</p>	<p>Clerk, Cllrs</p> <p>Clerk</p> <p>Clerk, cllrs</p> <p>Clerk</p> <p>Clerk, Cllrs</p>

		On-going monitoring and scrutiny of accounts, not just at year end. Internal audit checks	Clerk
	4. Inadequate audit trail from records to final accounts.	As at 3 above. To implement any suggestions from internal auditor	Clerk, Cllrs Clerk
<b>11.</b> 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.	1. Lack of knowledge of assets of Parish Council.	Ascertain and record all assets for which Parish council is responsible. Create permanent asset register and update regularly.	Clerk
	2. Assets lost or misappropriated	Establish who is responsible for security and maintenance of each asset. Appoint councillor responsible for regular monitoring of location and use of assets.	Clerk Cllrs
	3. Inadequate or inaccurate valuation of the council's assets.	Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.	Clerk, cllrs
	4. Asset register not established or inadequately maintained.	Create asset register in accordance with Audit Commission requirements. To include book value and replacement value for properly informed insurance cover.	Clerk
<b>12.</b> To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.	1. Lack of knowledge of applicable legislation	Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at PC meetings and make cllrs aware of responsibilities. To obtain an ICO certificate and attend training as required.	Clerk, cllrs Clerk
	2. Lack of public awareness of applicable legislation.	Include, as appropriate, in any public consultations.	Clerk, Cllrs
	3. Failure to comply with applicable legislation.	As at 1 above.	
<b>13.</b> To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.	1. Lack of information on properties, buildings and equipment.	Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties for which PC responsible. NONE TO DATE.	Chair Clerk
	2. Lack of knowledge of safety requirements.	Ensure that all current legislation and advice is held by	Clerk, Cllrs



	<p>3. Lack of commitment to carrying out safety checks.</p>	<p>Clerk.  Clerk receives regular HSE updates and newsletters.  Place subject as item on PC meeting agenda at regular intervals.  Training to be taken if needed.</p> <p>As at 2. above.  Delegate responsibility for priorities to individual councillors.</p>	<p>Clerk</p> <p>Clerk, Cllrs</p>
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**Reviewed Nov 2024**