



Risk Management and Assessment

The Parish Council is responsible for putting in place arrangements for the management of risk in all its activities. When considering any new activity, the clerk prepares a Risk Assessment. Where necessary, this is submitted to the Council's insurers in advance of the activity. No significant activities are undertaken by the clerk or members of the Council without a Risk Assessment being carried out prior to the activity being undertaken.

In the case of work carried out for the Council by contractors, the clerk ensures that all contractors are handed a copy of the Council's Notice to Contractors - Appendix A of the Council's Health and Safety Policy. This ensures that contractors carry out their own Risk Assessment prior to undertaking any works. The Council obtains a copy of the contractor's Public Liability insurance cover.

The Council currently maintains an insurance policy. Insurance is the most common approach to certain types of risk, such as damage to council assets, loss or damage. However, it is important for the Council to recognise the part it plays in minimising risk in all its activities, as well as damage to the Council owned assets. It is important therefore for the Council's assets to be regularly inspected. The clerk therefore carries out periodic checks of the Council's assets as well as an annual assessment of all Council owned assets, the result of which is submitted in a report to the Council. The report is directly linked to the Council's Asset Register. Any necessary repairs are considered by the Council. The clerk also makes periodic checks of Council owned assets and any necessary repairs are put before the Council for consideration. The Asset Register not only lists the location of all Council assets, but the value of those assets in order to ensure that the Council has adequate insurance cover on each particular asset. In the case of the Council's play equipment, these checks are carried out (and recorded) weekly.

The Council aims to take all practical and necessary steps to reduce or eliminate risk, in so far as is practically possible. This document has been produced to enable the Council to assess the risks that it faces and to satisfy itself that it has taken adequate steps to minimise them.

Approved: March 2022.

Next Review: March 2023.

Financial Risk Assessment

The following financial risk have been identified in connection with the work of the Council and the systems put in place to deal with these risks.

1. Bank Accounts

The Council maintains the following accounts.

a. Current Account

The Current Account is held with Barclays Bank. Access to the Current Account is online and requires authorisation by any two councillors named as signatories. There are four authorised signatories to the account: The signatories check and initial the relevant invoice/documentation.

A record of payments made is recorded in the Minutes of the Parish Council and in the Cash Book.

A cheque book is held by the clerk. When used, cheques are prepared by the clerk in advance of Council meetings and signed on production of invoices and other documentation.

Two signatories initial the cheque book stub and the relevant invoice/documentation. A record of cheques drawn is incorporated in the Minutes of the Parish Council and in the Cash Book.

Monthly bank statements are received in relation to the Current Account and reviewed on receipt by the clerk. The clerk has access to the account online and can review all payments made and monies received. The clerk reconciles the accounts every month.

The Internal Control Officer verifies quarterly that the payments made match the relevant invoices/documentation.

The independent review is recorded and signed by the Internal Control Officer and this record is retained in the financial papers for each year.

These records are reviewed by the Internal Auditor at the end of the financial year.

b. Scottish Widows Account

This account is used for holding funds on deposit and earning interest on those funds. The account allows immediate access.

The account is operated by telephone and post.

There are four signatories to the account. Any withdrawals must be authorised by two of the four signatories.

The clerk has access to the account and can transfer funds. The transfer of funds is authorised by the clerk in a direct bank transfer in accordance with the Council's Financial Regulations. All transfers can only be made directly into the Council's Current Account and no other account. After each transaction the Building Society issues a statement which is retained by the clerk and independently reviewed by the Internal Control Officer. The ICO ensures that the transaction has been carried out correctly. The independent review is documented by the ICO and held on file.

These records are reviewed by the Internal Auditor at the end of the financial year.

Assessment of risk relating to the Council's banking arrangements

In relation to the Current Account, it is considered that the procedures outlined above adequately protect the Council's bank accounts from misuse. Any misuse would initially require collusion of two of the signatories to the account, an act which would be discovered by the clerk's review of the bank accounts, or the review of the Internal Control Officer, or by the Internal Auditor. If the cheque book is used this would require collusion of the clerk and one of the signatories, an act which would be discovered by the Internal Control Officer or by the Internal Auditor.

In relation to the Building Society account, it is considered that the procedures outlined above adequately protect the Council's account from misuse. The clerk can only transfer funds into the Council's Current Account and no other account. Any misuse would require collusion of two of the signatories to the account making an unauthorised change to the account; an act which would be discovered by the review of the account by the Internal Control Officer or the Internal Auditor.

2. Income Received

The Parish Council receives the following types of income – method of receipt is shown in brackets.

Precept (bank transfer)

Former Broadway Allotment site rent (cheque or cash. £311.14 pa)

Rent for ditch adjoining former Broadway Allotment site (payment by Standing Order. £5 pa)

Payments for Highway Surveyors land (cheque or cash)

Rent for Shipdham Lane playing field (cash 0.05p pa)

Vat refunded (bank transfer)

Interest (credited to account)

Assessment of risk relating to the Council's Income

Cash receipts are limited. The larger figure is the rent in respect of the former Broadway Allotment site (£311.14pa). The Internal Control Officer checks each year (check 3) that this payment has been received and banked. Cash receipts are credited to the Council's Current Account. Banking and recording of these sums are subject to review by the Internal Control Officer.

3. Annual Budget

The Council produces a Budget in the last quarter of the calendar year in order to agree a spending programme for the forthcoming financial year and set a Precept. The Budget is prepared by a subcommittee and presented to the full Council for approval. The final budget is agreed by no later than the Council's meeting in January.

Assessment of risk relating to future income and expenditure

It is considered that the annual Budget discussions and pre budget discussions are sufficient to determine planned expenditure and provide the necessary income to meet this expenditure.

4. Audit Arrangements

In addition to councillor review and review by the Internal Control Officer, an internal audit is carried annually by an independent and competent auditor. The Internal Auditor submits a report to the Council in accordance with Audit Commission requirements. The Council's records are subject to external audit in accordance with the Commission's requirements.

5. Salary and related expenses

The Council employs the clerk. The clerk's salary is currently paid monthly from the Current Account on receipt of a payment slip from the Council's payroll provider. The clerk's salary scale is reviewed annually by the Parish Council.

The reimbursement of out of pocket costs and expenses is paid on receipt of all relevant documentation.

Assessment of risk relating to salary and expenses

It is considered that the controls relating to this expenditure is adequate to protect the Council.

6. PAYE Registration

The Parish Council has been registered for PAYE from April 2011. A copy of the clerk's P46 is held on file and the necessary returns are paid to HM Revenue & Customs.

It is important for any future clerk to contact HM Review & Customs with regard to their own personal tax status.

7. Fidelity Guarantee

Cover is provided under the Council's insurance policy with a limit of indemnity of £150,000.

In view of the total cash transactions and the mechanisms in place to protect the Council's bank accounts this is considered sufficient to protect the Council.

8 Insurance

The Council maintains an annual insurance policy designed for Local Councils. This provides Public Liability, Fidelity Guarantee and Property cover sufficient to cover risks relating to Council property, its employee, members and third parties.

An annual review of the Council's insurance is carried out.

Assessment of risk relating to insurance

All significant activities carried out by the Council are risk assessed. It is considered that the measures in place are adequate to protect the Council.

9 Best Value

The Council's Financial Regulations provide for a tendering process for material expenditure to ensure that best value is obtained in the supply of goods and services. These Regulations list the number of estimates, quotes or full tenders that must be invited depending on the value and nature of the work.

Approved March 2022.

Next Review: March 2023.

Subject	Risk	H/M/L	Management/ control of risk	Notes/action
Financial & Management				
Business continuity	The Council cannot function due to the clerk not being to carry out his duties through illness, resignation or misconduct	L/M	If the clerk cannot carry out duties for more than three months, the Council will consider appointing a locum clerk, or replacement	
Precept	The District Council reduces the amount of the precept from that requested by the council.	L	The Council holds at least a quarter of the Precept in its account. This would cover any immediate shortfall.	
Financial Records	Financial Irregularities	L/M	Two signatories authorise all payments. One of these is the clerk. See Financial Risk Assessment (above).	Financial Regulations are reviewed and systems checked by ICO and auditors

Bank and banking	<p>Inadequate checks</p> <p>Bank Errors or losses</p>	<p>L</p> <p>L</p>	<p>The ICO makes quarterly checks</p> <p>The clerk would find in bank reconciliation</p>	<p>It is considered the existing system is sufficiently robust</p>
Cash	Loss through dishonesty or theft	L	<p>The amount of cash collected does not exceed £5.05 and £311.14 for Broadway allotment rent</p> <p>Cash is banked within 3 working days</p>	<p>It is considered the existing system is sufficiently robust</p>

Former Broadway Allotment Rent	<p>Rent is not paid or the site is not kept in reasonable condition</p> <p>Third party damage/liability in respect of the land</p>	L/M	<p>The rent is paid in cash and banked within 3 days as per Financial Regulations. The clerk monitors the site. If the tenant refuses to carry out work, the Council may be left to pay the bill. Rent is payable at the beginning of the lease.</p> <p>Covered by Public Liability insurance. Tenant is responsible for land under conditions of lease.</p>	<p>The Council can terminate the tenancy agreement if the tenant does not abide by the conditions of the lease. If the tenant does not pay his rent, the council can refuse to commence the tenancy. The lease is renewed annually</p>
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Rents/land holdings	<p>Non payment of rent for former Highway Surveyors Land and ditch at Fir Acre</p> <p>Third party damage/liability in respect of the land</p>	<p>L/M</p> <p>L</p>	<p>Rent is payable by STO.</p> <p>Covered by Public Liability insurance. Tenant is responsible for land under conditions of lease.</p>	<p>If the tenant does not pay his rent, the Council can refuse to commence the tenancy. If the tenant does not meet the conditions of the lease, the Council can end the tenancy. The lease is renewed annually</p>
Salaries	<p>Salary paid incorrectly</p> <p>Salary deductions</p> <p>Clerk's PAYE and expenses</p>	<p>L</p> <p>L</p> <p>L</p>	<p>The clerk is paid by direct bank transfer.</p> <p>The clerk's salary is annually assessed by the Council.</p> <p>The clerk's PAYE is assessed by an outside party -</p> <p>Any expenditure is reimbursed on production of receipts. Mileage is recorded</p>	

Fraud	Fraud by the clerk or signatories	L	The ICO checks transfers of the Council's funds. The Internal Auditor checks the Council's funds.	Fraud would require the collusion of two signatories. Any fraudulent activity would be detected in the bank reconciliation
Health & Safety	Inadequate awareness	L	The Council has a Health & Safety Policy. This includes a Lone Working Policy. All activities are monitored	Training is offered where necessary
Best Value	Quotes for larger projects	L	Financial Regulations state the number of quotes needed for larger projects.	The Council's Financial Regulations are reviewed annually
	Project Overspend	L	Expenditure on projects is monitored by the clerk	

Reporting and auditing	Financial information communication Auditing and Governance	L L	A report is produced showing Expenditure against Budget, and contains a breakdown of Receipts and Payments. The Council is audited internally and externally	 An Internal Auditor is appointed annually
Bad debts	Unpaid invoices	L	There are no payable invoices	It is considered the existing system is sufficiently robust

Grants paid	Grant monies are not used for the stated purpose of the grant	L	The Council has a Grants Policy. Grant recipients are asked to provide evidence of expenditure to the clerk. If not received, the clerk writes to the recipient to obtain. The Council reserves the right to request the return of funds.	It is considered the existing system is sufficiently robust.
Election costs	Risk of unexpected election	L/M	The risk is higher in an election year	The Council has sufficient reserves to cover costs
Chair's Allowance	The chair is overpaid	L	This is paid on production of receipts	The current chair has no allowance
VAT	Reclaiming	L	The clerk annually reclaims VAT paid on behalf of the Council.	Payment is received direct into the Council's account

Annual Return	Completed and submitted within time limits.	L	The Return is submitted to the internal auditor and then approved by the Council before submitting to the External Auditor	The existing procedures are considered adequate. The clerk ensures the Return is submitted on time.
Legal powers	Illegal activity or decision making	L	All activity and expenditure is resolved by the Council. The clerk ensures the Council has appropriate powers	All decisions of the Council are minuted
Agendas/minutes	Accuracy and legality	L	Minutes and agendas are completed by the clerk to defined standards and legal requirements Minutes are approved and signed. Minutes and agendas are displayed according to legal requirements	

Members interests	Conflict of interest	L	Councillors declare interests at start of meetings	The existing procedures are considered adequate
	Register of Members Interests	L	Any changes are noted. The register is regularly updated	
Insurance	Meets needs and is competitive	L	The Council reviews its insurance policy annually	The Council holds all necessary insurances
Legal liability	Legal liability as a consequence of asset ownership (public liability)	L	The Council holds Legal Expenses cover in its insurance policy of £250,000	
Data protection	Data protection rules followed	L	The Council is registered with the Information Commission. Council takes full consideration of GDPR.	
Freedom of Information	Request not handled correctly	L	Any requests are dealt under Information Commission website rules. The Council has a Model Publication Scheme in place	

Recreation & Play Areas				
Subject	Risk	H/M/L	Management/ control of risk	Notes/action
Assets	Loss or damage, and risk of damage or injury to third parties	L	Clerk carries out annual Asset Review. All assets are recorded in the Asset Register	Regular checks are undertaken by the clerk. Necessary repairs are approved by the Council. Any repairs are reported to the Council and carried out as necessary.

Recreation Areas	Scarning Playing Field (Shipdham Lane)	L	Scarning Playing Field Committee separately insures the pavilion and play equipment, and carries out remedial works, as well as grounds maintenance. The Parish Council insures its own assets on the Field	Outdoor Fitness equipment & zip wire is maintained by the Council. The clerk carries out weekly checks. The Committee has agreed a Terms of Reference document (Feb 2022)
	Scarning Water Meadows	L	The play areas are monitored by the clerk. All remedial works are carried out. The play area is subject to an annual ROSPA check.	The clerk carries out regular checks. The existing procedures are considered adequate

Noticeboards	Damage/injury to third parties	L	The n/boards are checked annually as part of the Asset report and periodically.	Notice boards are included in insurance policy. Keys to Village Hall, playing field and school n/boards are held by the clerk. All others are open.
Street Furniture	Damage/injury to third parties	L	Street furniture is checked annually as part of the Asset report and periodically	Street furniture is included in the Council's insurance policy and regularly monitored.
Meeting location	Adequacy Health & Safety	L	The Council meets in the Village Hall The location is considered adequate.	The premises are accessible to those with disabilities
Council records - paper	Loss through fire, theft or damage	L/M	Day to day records are stored at the clerk's home address in a filing cabinet (not fire proof). Older records are stored in the Village Hall and Norfolk Record Office	Damage (apart from fire) and theft is unlikely and so provision is considered adequate.

Council records - electronic	Loss through fire, theft, damage, or corruption of computer	L/M	The Council's electronic records are stored on the clerk's computer.	