

ASTERBY AND GOULCEBY PARISH COUNCIL RISK MANAGEMENT

Adopted by Asterby and Goulceby Parish Council on 21.12.2020

Last reviewed 18.05.2023

Next review due May 2024

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.

Aim ¹	Risk ²	Method used to Minimise Risk ³	Person(s) Responsible ⁴	Status ⁵   
1. To ensure compliance with Acts of Parliament, Council's Standing Orders, Financial Regulations and Code of Conduct.	a. Lack of knowledge of regulations and codes leading to actions by the Council outside its powers.	Ensure that all Councillors have copies of or access to relevant Acts Members provided with the 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.	Chair Clerk / RFO All Councillors LALC	
	b. Absence of Standing Orders or standing orders not followed	Ensure that Standing Orders are produced, understood by Councillors, and reviewed at least once per year.	Chair Clerk	
	c. 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. Financial Regulations are complied with on all purchases.	Chair Clerk/RFO	
	d. Payments made without prior approval and adequate control.	Ensure all payments are approved in accordance with the Financial Regulations and properly recorded.	Clerk/ RFO	
	e. Lack of control of signatories to cheques	Keep authorised signatories to a minimum but consistent with practicalities. RFO to hold cheque book, but not be a signatory	Clerk RFO	
	f. VAT not properly accounted for, resulting in over-claims and demands from HMRC.	Ensure appropriate publications held and that RFO has a good knowledge of regulations.	RFO	
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. Attend training sessions and refresher training as appropriate.	Clerk/RFO All Councillors	
	b. Lack of commitment by Council members and steps not taken to combat risks	Add risk assessment to agenda at least annually, reviewing particular items, and results against those items. Allocate actions to Councillors as well as Clerk/RFO and follow up at meetings	Chair All Councillors Clerk/RFO	
	c. No risk analysis carried out.	As at 2a above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission	All Councillors Clerk/RFO	

	d. An inadequate complement of Councillors to manage the business of the Council	Ensure all Councillor vacancies are filled promptly. 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.	All Councillors Clerk	
3. To influence others, such as Lincolnshire County Council, East Lindsey District Council and other Government organisations to recognise the requirements and interests of the local population.	a. Lack of effective lines of communication with other organisations.	Maintain good working relationships with officers from outside organisations, respect the work they do. Note all communication lines which are essential or beneficial and establish/maintain contacts by name and where possible face-to-face.	Chair Clerk	
	b. 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.	All Councillors Clerk	
	c. Lack of confidence of Parish Councillors.	Experienced Councillors and Clerk/RFO to assist newcomers to understand roles and responsibilities, to establish essential contacts and to gain procedural awareness.	All Councillors Clerk	
4. To ensure that all Councillors and staff are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible 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. Social media policy in place. Libel and slander insurance in place. ⁶ Experienced Councillors and Clerk/RFO to assist newcomers to understand culpability. To attend training courses and refresher training as available (see LALC annual training scheme).	Chair All Councillors Clerk	
	b. Public or staff prosecution c. Risk or damage to third party property, or injury to members of the public d. Damage to Council assets	Review risk assessment by including on agenda at least annually. Clerk/RFO reviews insurance cover to ensure it is adequate and contacts insurance company when the Council carries out a new activity to ensure that the cover is adequate Council consider the insurance requirements at the renewal date, and review all the quotes before making decision Parish Council reviews the insurance cover annually Insurance is arranged with a local government specialist company and includes Employers Liability Cover ⁷ , Public Liability Cover ⁸ , and covers loss or damage to appropriate assets ⁹ .	Chair Clerk/RFO All Councillors	
	e. Loss due to dishonest or fraudulent acts by employees or Councillors	References to be sought for all employees. Fidelity guarantee insurance ¹⁰ in place.	Clerk Councillors Clerk	 

	f. 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. Declarations of interest on every agenda.	All Councillors ELDC	
5. To keep appropriate accounting records 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. RFO to be suitable qualified or attend appropriate training	All Councillors Clerk/RFO	●
	b. Inaccuracies in recording amounts and totals in accounting records	Bank reconciliations to be presented for review least every quarter and compared to bank statements. Internal audit to be carried out annually.	All Councillors RFO Internal Auditor	●
	c. Internal controls not in place or not operated, leading to out of date cash book, missed payments, unpaid invoices, or loss through dishonesty.	Only nominated signatories, the Clerk and the RFO have access to the Council's bank accounts. Internet banking used for information only, not transactions. Online payments are not permitted. No petty cash held. Where cash receipts are unavoidable, the cash is kept securely until it is passed to the Clerk/RFO to and/or taken to the bank Receipts issued for all cash received. All payments require 2 signatories. Fidelity insurance held	Clerk/RFO All Councillors	●
	d. RFO taken ill or leaves without replacement	The bank signatories have access to the Council's bank accounts and are able to write cheques, and can access bank statements.	Clerk All 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.	Ensure residents and other stakeholders (i.e. local organisations) are consulted on major financial issues, which impact upon them. Item on the Annual Parish Meeting agenda for the public to suggest items for the following year's budget.	All Councillors Clerk	●
	b. Use of funds or assts not giving value for money.	Effective budget planning processes and appropriate tendering. Creation of a rolling plan for projects and maintenance expenditure.	Clerk/ RFO All Councillors	●
	c. 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.	All Councillors Clerk	●

	d. Perceived lack of transparency regarding Council finances and activities	Advertisement of Exercise of Electors rights carried out correctly per audit regulations All meetings open to the public with the exception of items of a sensitive nature (salaries, contract discussions etc). Publication of financial information on website per transparency code	All Councillors Clerk RFO	
7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; reserves are appropriate and adequate; financial records are maintained.	a. Lack of knowledge of budgetary process, and of financial regulations.	Ensure financial 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 & the Clerk. Involve all Councillors in budgetary process, not solely the Clerk/RFO. Encourage all Councillors to actively participate in meetings when the budget is being discussed.	All Councillors RFO Clerk	●
	b. Inadequate consideration of requirements for annual precept.	Comparison against the previous year's actual income/expenditure, and this year's projected, to ensure that all items are included Parish Council approves the annual budget and sets the precept at the December Council meeting Clerk/RFO aware of the deadline for the submission of the precept and ensure that the precept is received on time.	All Councillors Chair	●
	c. Reserves too low or too high	Checks by RFO and Internal Auditor. Financial and budget progress reported to Council on a quarterly basis. The general reserve (not earmarked) to be at least 1x typical annual income or as otherwise advised by the RFO / Internal auditor. The general reserve (not earmarked) not to exceed 2x typical annual income or as otherwise advised by the RFO / Internal auditor.	All Councillors RFO Clerk	●
	d. Lack of funds to meet financial commitments	Actual spend compared to planned spend at least quarterly Proposed projects planned for when calculating the precept required Maintain appropriate levels of reserves	All Councillors RFO Clerk	●
10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and	a. Lack of knowledge of Council regulations and procedures.	Compliance with Financial Regulations and Standing Orders. Attend training seminars where available.	Clerk/RFO All Councillors	●
	b. Late or non- submission of annual accounts.	Compliance with the instructions of the External auditor.	Clerk/RFO Internal auditor	

supported by an adequate audit trail.	c. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.	RFO to monitor progress against timetable and report to Councillors at meetings. Checks by RFO. RFO to be suitable qualified or attend appropriate training Internal audit checks.	All Councillors Clerk/RFO Internal auditor All Councillors	●
	d. Inadequate audit trail from records to final accounts.	As at 10c above.	Clerk/RFO Internal auditor All Councillors	●
11. To identify, value, and maintain all the assets of the Parish Council, and ensure that asset register is complete, accurate and properly maintained.	a. Lack of knowledge of assets of Parish Council.	Ascertain and record all significant assets for which the Parish Council is responsible. Create and maintain a permanent asset register.	RFO/Clerk Councillors	●
	b. Assets lost or misappropriated	Regular monitoring of location and use of assets by Councillors and any issues reported immediately to Clerk Adequate insurance provision in place to cover assets	Clerk/RFO	●
	c. Asset register not established or inadequately maintained.	Create asset register in accordance with Audit Commission requirements. Review register at least annually	Clerk/ RFO Councillors	●
	d. Lack of adequate programme of maintenance/regular safety checks	Regular checks by the Clerk/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 where appropriate	Clerk Councillors	●
12. To comply with legislation regarding the health and safety as appropriate for all Council activities	a. Lack of knowledge of applicable legislation	Clerk/RFO to have all appropriate legislation available. Review liabilities and responsibilities periodically at Parish Council meetings. Training to be attended as appropriate.	Councillors /Clerk	●
	b. Injury or death due to poorly maintained equipment/assets	Maintain a register of assets and complete at least annual test for health and safety. Where issue are identified, employ a suitable qualified contractor to repair or remove Maintain appropriate level of public liability and employers liability insurance	Councillors/Clerk	●
13. To ensure effective communication is maintained with parishioners	a. Poor communication with residents leading to lack of support for Council or Council projects	Notice board used to publicise meetings, including agendas and minutes. Articles in parish newsletter	Councillors Clerk	●

		Website established – includes details of meetings, Councillor information, policies and procedures, planning news, useful contacts and points of interest.		
14. To ensure business continuity in the event of a disaster, or loss of Clerk/RFC	a. Loss, fire or theft of Council records (paper)	All paper documents to be stored in a secure place Historic documents archived. Back up copies of legal documents to be stored electronically.	Clerk	●
	b. Loss or theft of Council records (electronic)	Electronic records are stored on the Clerk's PC at her home with restricted access to the records. Back up of electronic data to be made at regular intervals and stored on an encrypted cloud software programme. Anti-virus software in place	Clerk	●
	c. Loss of clerks office due to fire/flood or other disaster	Business interruption insurance in place ¹¹	RFO	●
	d. Council not being able to continue its business due to unexpected or tragic loss of Clerk/RFO	All paper files and records are kept in secure place at the Clerk/RFO's home. Council maintains at least 3 cheque signatories. Protocol in place for short term/long term illness or sudden loss of clerk/RFO	Clerk Councillors	●
	e. Clerk/RFO give notice to leave	Undertake regular reviews and annual appraisal with Clerk/RFO to identify and issues Ensure Clerk/RFO have all necessary tools to effectively complete the role expected of them. Notice period of at least 3 months (after probationary period) to allow time to recruit	Council	●

¹ The aim is what a good outcome/status should look like.

² The risks are the consequential actions of the aim being incorrectly managed

³ The method used to mitigate the risk lists the steps which are being taken to ensure the risk does not happen, or if it does, to minimise the impact.

⁴ The Council is ultimately responsible for the management of risk, but activities may be delegated to individuals to manage on a day to day basis

⁵ The status allows the Council to determine whether additional action is required to mitigate, minimise or transfer the risk. A risk transfer mechanism would be, for example, to ensure adequate insurance cover is in place.

⁶ Libel and slander insurance covers the Council's legal liability to pay compensation for verbal or written comments made by employees or councillors whilst carrying out their duties, which a member of the public considers incorrect, damaging or results in financial loss.

⁷ Employers Liability cover is compulsory if the Council has employees, and covers the Council for illness or injury claims by employees sustained whilst conducting Council business

⁸ Public liability cover protects the Council if someone suffers an injury or damage to their property which happens on land or assets which the Council is responsible for

⁹ Property insurance provided replacement or reinstatement cover for Council assets including street furniture, computer equipment and other equipment owned by the Council. An asset register should list assets, and should record the cost, but insurance cover should record and cover the replacement value.

¹⁰ Fidelity guarantee insurance protects the Council against loss due to fraud or dishonesty of staff, Councillors or volunteers.

¹¹ Business interruption insurance covers the cost of alternative premises if the Council office is unavailable due to fire or flood. It also covers loss of revenue, but this is less applicable to Asterby and Goulceby Parish Council.