

ANCASTER PARISH COUNCIL- RISK MANAGEMENT POLICY 2019-2020

Mission Statement of ANCASTER PARISH COUNCIL

To provide services to manage and maintain the assets of ANCASTER PARISH COUNCIL within the resources provided by the annual precept and other incomes, considering the wishes of the residents and obtaining value for money.

AIM	RISK	METHOD USED TO MINIMISE RISK
1. Insurance	Public Liability Employees Liability Building/Contents Insurance Fidelity Guarantee	Continue existing cover – review annually

AIM	RISK	METHOD USED TO MINIMISE RISK
2. To ensure compliance with the Acts of Parliament, Councils financial regulations and Code of Conduct	1. Lack of knowledge of regulations and codes.	Ensure that all Cllrs have copies of relevant Acts, Codes of Conduct and Standing Orders. Highlight essential parts and provide training where possible.
	2. Absence of Standing Orders	Ensure that Standing Orders are produced and understood by Cllrs. Review at least once a year.
	3. Actions by the PC outside powers as set out.	As at (1) above but ensure that powers are highlighted or extracted into effective summary.
	4. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Delegation or responsibilities to individual Cllrs.
	5. Items purchased without proper tendering procedures.	Delegation of responsibility to individual Cllrs.
	6. Payments made without prior approval and adequate control	Ensure all payments are approved in Council meetings and record in minutes. Keep cash payments to a minimum and avoid if possible
	7. Lack of control of signatories on cheques	Keep authorised signatories to a minimum but consistent with practicalities.

AIM	RISK	METHOD USED TO MINIMISE RISK
2.Compliance (cont)	8.VAT not properly accounted for resulting in over-claims and large demands from HMRC	Ensure appropriate publications are held and Clerk has good knowledge of regulations

AIM	RISK	METHOD USED TO MINIMISE RISK
3.To identify and regularly review the Council's priorities.	1.Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievements	All Cllrs to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.
	2.Lack of commitment by council members	Add Risk Assessment to agenda at least quarterly, reviewing items, and results against those items
	3.No risk analysis carried out	As at (1) above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission
	4.No steps taken to combat identified risks	As at (2) above

AIM	RISK	METHOD USED TO MINIMISE RISK
4.To influence other council departments and Government organisations to fulfil the requirements of the Parish Council	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 Cllrs. Establish contacts by name and where possible face-to-face.
	2.Lack of effective lines of communication with parishioners	Take every opportunity to publicise role of Parish Council. Create parish newsletter if none exists. Use Notice Boards and 'Flyers'. Use key issues to raise profile of PC and to test parishioners' view. Ensure all Cllrs are aware of need for careful research and are guided as to where to obtain relevant information from.
	3.Lack of preparation of subjects requiring influence and lack of confidence by Parish Cllrs.	As at (1) above. Experienced Cllrs to assist newcomers to establish essential contacts. Delegate responsibility for specific contracts to individual Cllrs.

AIM	RISK	METHOD USED TO MINIMISE RISK
5.To ensure that all Cllrs 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 Cllrs.	Creation of Standing Orders and familiarisation with those where greatest risk occurs
	2.Lack of education of Cllrs regarding culpability	As at (1) above. Delegate responsibility to one or two Cllrs to assist newcomers to understand culpability. Attend any training courses available.
	3.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 an individual Cllr.

AIM	RISK	METHOD USED TO MINIMISE RISK
6.To keep appropriate books of account accurately and up-to-date throughout the financial year.	1.Lack of knowledge of accounting requirements.	Ensure all Cllrs are familiar with current financial regulations and include them in the council’s Standing Orders. Appoint separate RFO (perhaps a Cllr) to ensure another line of responsibility for financial management
	2.Lack of commitment to accounting	As at (1) above. RFO to produce financial reports at all meetings. Internal reports to be made available to all Cllrs and any recommendations to be acted upon promptly.
	3.Bank charges unnecessarily incurred	RFO to carry out regular inspections of books of accounts, Internal audit to be taken periodically during the current financial year.
	4.Inaccuracies in recording amounts and totals in books of account. Bank reconciliations not carried out.	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advice on internal control required

AIM	RISK	METHOD USED TO MINIMISE RISK
6.Accounts (cont)	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
	6.The most beneficial interest terms not being employed	Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives bearing in mind the risks in changing accounts.
	7.Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible.
	8.Books of account not kept up to date and invoices not posted promptly	Regular checks by RFO and Internal Auditor. Financial reports at all Council meetings
	9.Internal controls not in place or operated	As at (8) above
	10.Payment missed or delayed due to: Clerk taken ill, or leaves without replacement	Appointing separate RFO allows a further individual to be familiar with all aspects of financial matters.

AIM	RISK	METHOD USED TO MINIMISE RISK
7.To ensure that payments made from council funds and the use of assets represents value for money, are adequately managed, and comply with the wishes of residents	1.Lack of knowledge of wishes of residents	As at (4.2) above. Ensure residents are consulted on all major financial issues
	2.Use of funds not giving value for money	Effective budget planning process. Creation of annual plan after consultation process. Creation of a 2-3-year plan
	3.Use of funds not in accordance with the wishes of residents	As at (2) above. RFO to create effective financial management. Internal audit checks to cover consultation process.
	4.Charges for use of facilities inadequate	Effective financial management by RFO. Internal audit checks.
	5.Fund raising not properly controlled or not in accordance with regulations.	All Cllrs to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.

AIM	RISK	METHOD USED TO MINIMISE RISK
8.To ensure that the Annual Precept requirements result from an adequate budgetary process; progress against the budget is regularly monitored and reserves are appropriate.	1.Lack of knowledge of budgetary process, and Council regulations	Include regulations in Standing Orders issued to all Cllrs. Place item on agenda early in year to remind Cllrs of budget process and actions required. Delegate responsibility for making initial budgetary process to a council member or RFO.
	2.Lack of commitment to budgetary process	As (1) above. Involve all Cllrs in budgetary process, not solely the Clerk
	3.Inadequate consideration of requirements for Annual Precept	Place item on agenda early in year to remind Cllrs of budget process and actions required. Delegate responsibility for managing initial budgetary process to council committee or RFO. Start consideration at least 4 months prior to submission date (September).
	4.Calculations not in accordance with Council regulations.	Checks by RFO and Internal Auditor.
	5.Inadequate internal controls about monitoring procedure	Checks by RFO and Internal Auditor. Financial and budget progress reports to all council meetings.
	6.Reserves too low	As at (5) above.

AIM	RISK	METHOD USED TO MINIMISE RISK
9.To explore all possible sources of income and ensure that expected income is fully received.	1.Lack of knowledge of possible sources of income e.g. grants.	Appoint a Cllr as Grants Officer to gain experience of all grants available and application procedures.
	2.Lack of commitment to pursue possible sources	As at (1) above
	3.Receipts not banked or not banked properly.	Regular checks by Cllr appointed as RFO. Internal audit checks
	4.Debts not pursued promptly	As at (3) above
	5.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.

AIM	RISK	METHOD USED TO MINIMISE RISK
10.To ensure that salaries are paid to employees and amounts paid to contractors are in line with council regulations and are adequately monitored	1.Inappropriate pay to employees	Ensure employee regulations are available and understood by Clerk. Checks by RFO. Internal Audit checks.
	2.Tax and NI arrangements not in accordance with regulations.	As at (1) above.
	3.Amounts paid to contractors not in accordance with contract and inadequately monitored.	Internal audit checks. Checks by RFO. Appoint Cllr to monitor contract work carried out

AIM	RISK	METHOD USED TO MINIMISE RISK
11.To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by the adequate audit trail.	1.Lack of knowledge of Council regulations and procedures.	Include financial regulations in Standing Orders. Attend training seminars where available.
	2.Late or non-submission of annual accounts	Include a timetable in Standing Orders. RFO to monitor progress against timetable and report to parish council meetings.
	3.Year end accounts not prepared, inaccurate or not in accordance with Council requirements.	Checks by RFO and internal audit checks.
	4.Inadequate audit trail from records to final accounts.	As at (3) above.

AIM	RISK	METHOD USED TO MINIMISE RISK
12.To identify, value and maintain all assets of the Parish Council land ensure that asset and investment registers are complete, accurate and properly maintained.	1.Lack of knowledge of the Parish Council	Ascertain and record all assets for which the Parish Council is responsible. Create a permanent asset register
	2.Assets lost or misappropriated	Establish who is responsible for security and maintenance of each asset. Appoint a Cllr responsible for regular monitoring of locations and use of assets.

AIM	RISK	METHOD USED TO MINIMISE RISK
12.(Cont) Assets	3.Inadequate or inaccurate valuation of council's assets	Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks`
	4.Asset register not established or inadequately maintained.	Create asset register in accordance with Audit Commission requirements.

AIM	RISK	METHOD USED TO MINIMISE RISK
13.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 Parish Council meetings.
	2.Lack of public awareness of applicable legislation.	Include, as appropriate in any public consultations.
	3.Failure to comply with applicable legislation.	As at (1) above.

AIM	RISK	METHOD USED TO MINIMISE RISK
14.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 the Clerk. Include in Asset Register all properties for which Parish Council is responsible.
	2.Lack of knowledge of safety requirements.	Ensure that all current legislation and advice is held by the Clerk. Place subject as item on parish council meeting agenda at regular intervals.
	3.Lack of commitment to carrying out safety checks.	As (2) above. Delegate responsibility for supervision of properties to individual Cllrs who report back to Council for any action.

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