RISK MANAGEMENT FOR MOULTON PARISH COUNCIL
As adopted at the meeting on 3rd March 2015

Mission Statement of the Parish Council:

To provide services for, and manage and maintain the assets of, the villages of Moulton Seas End, Moulton and Moulton Chapel 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 used to Minimise Risk	Person(s) Responsible
1.To ensure compliance with the Acts of Parliament, Council's Standing Orders Financial regulations and Code of Conduct.	1. Councillors lack of knowledge or understanding of statutory powers, regulations, codes, etc	Ensure that all Councillors have access to relative Acts and copies of Code of Conduct, Financial Regulations and Standing Orders. Provide training.	Chair Clerk
	2.Out of date or absence of Standing Orders, Financial Regulations or Code of Conduct.	Ensure that Financial Regulations, Standing Orders and Code of Conduct are produced, understood by Councillors and reviewed annually.	Chair Clerk
	3.Actions by Parish Council outside its powers as set out by Parliament.	Provide training for councillors on ''ultra vires''.Relevant authority to be identified before Council makes a decision.	Chair Clerk
	4. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.	Chair All Councillors
	5. Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	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.	Chair Clerk Responsible Finance Officer (RFO)
	6. Payments made without prior approval and adequate control.	Ensure all payments are approved in Council meetings and recorded in minutes.	Clerk RFO

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	7. Lack of control of signatories to cheques/Bacs payments. 8. VAT not properly accounted for, resulting in over-claims and large demands from HMRC or under claims resulting in financial loss to the Council	Keep authorised signatories to a minimum but consistent with practicalities. Ensure appropriate publications held and that Clerk has good knowledge of regulations. Ensure accounts are audited in accordance with Financial Regulations	Clerk RFO Clerk RFO
2.To identify and regularly review the Council's priorities.	1. Lack of knowledge of setting objectives, setting priorities and identifying risks to their achievements. 2. Lack of commitment by council members. 3. No risk analysis carried out. 4. No steps taken to combat identified risks.	All councillors to be made aware of need for objectives and identification of risk. Four year Business Plan to be prepared Add risk assessment to agenda quarterly, reviewing particular items and results against those items. Ensure that completion of the risk assessment is given high priority as a requirement of the Practitioners Guide for Governance & Accountability for Local Councils. All decisions of the Council to be risk assessed at the time decisions are made As at 2 above.	All Councillors Clerk RFO All Councillors Clerk RFO All Councillors Clerk RFO All Councillors Clerk RFO
3. To influence other council	1. Lack of effective lines of	Note all communication lines which are essential or	Clerk

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departments and Government organisations to fulfil the requirements of the Parish population.	communication with other organisations. 2. Lack of effective lines of communication with parishioners. 3. Lack of preparation on subjects requiring influence. 4. Lack of confidence by Parish Councillors.	beneficial and make information to all councillors. Establish contacts by name and where possible face-to-face. Take every opportunity to publicise role of Parish Council. Create Parish newsletter if none exists or partake in the current publication. Use notice boards and flyers. Use key issues to raise profile of PC and to test parishioners' views. Add social event to occasional meeting. Create annual PC plan and put to parishioners for comment. Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information. As at 1 above. Experienced councillors to assist newcomers to establish essential contacts. Delegate responsibility for specific contacts to individual councillors.	Chair Clerk Chair All Councillors Clerk Chair All Councillors Clerk Chair All Councillors
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. 2. Lack of education of Councillors regarding culpability.	Creation of standing orders and familiarisation with those where greater risks occur. As at 1 above. Delegate responsibility to one or two councillors to assist newcomers to understand culpability. Attend training courses available.	Clerk RFO All Councillors Clerk RFO All Councillors

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	3. Inadequate insurance cover taken out – property, personal liability, employer's liability.	Review risk assessment by including on agenda quarterly. Delegate responsibility for keeping up-to-date with insurance requirements to the RFO.	Clerk RFO All Councillors
5. To keep appropriate books of account accurately and up-to-date throughout the financial year.	1. Lack of knowledge of accounting requirements.	Ensure all councillors are familiar with current financial regulations. Regularly review Financial Regulations. Consider appointing a separate RFO (perhaps a councillor or the Chair) to ensure another line of responsibility for financial management.	Clerk RFO All Councillors
	2. Lack of commitment to accounting.	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.	RFO Internal Auditor (IA)
	3. Bank charges unnecessarily incurred.	RFO to carry out inspection of books of account at least quarterly. Internal audit to be undertaken during the current financial year.	RFO IA
	4. Inaccuracies in recording amounts and totals in books of account.Bank	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated.	RFO IA

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	reconciliations not carried out.	Regular internal audits to advice on internal controls required.	
	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.	RFO
	6. The most beneficial interest terms not being employed.	Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives but bearing in mind the risks in changing accounts.	RFO
	7. Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum balance.	RFO
	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.	RFO IA
	9. Internal controls not in place or not operated.	As at 8 above.	RFO IA
	10. Payments missed or delayed.	As at 8 above.	RFO IA

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	11. Clerk taken ill or leaves without replacement.	Consider appointing a separate RFO which would allow a further individual to be familiar with all aspects of financial matters. Financial Regulations to be adhered to in respect of PIN's and Passwords relating to internet banking.	RFO IA Chair
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. Encourage greater public participation by making reports to Council available on website prior to meetings.	Clerk All Councillors
	2. Use of funds not giving value for money.	Effective budget planning processes. Creation of annual plan after consultation process. Creation of 4 year Business Plan.	RFO All Councillors
	3. Use of funds not in accordance with the wishes of the residents.	As at 2 above. RFO to create effective financial management. Internal audit checks to cover consultation process. Annual review of all charges (where appropriate after taking professional advice)	RFO All Councillors IA
	4. Charges for use of facilities inadequate.	Effective financial management by RFO Internal audit checks.	RFO IA
	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.	Clerk RFO All Councillors

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7. To ensure that the annual precept requirements results from an adequate budgetary process; progress against the budget is regularly monitored; reserves are appropriate	1. Lack of knowledge of budgetary process and of Council regulations.	Financial Regulations to be issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing initial budgetary process to a council committee or to RFO.	Clerk RFO All Councillors
	2. Lack of commitment to budgetary process.	As at 1 above. Involve all councillors in budgetary process not solely the clerk.	Clerk RFO All Councillors
	3. 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 initial budgetary process to council committee or RFO. Start consideration of need at least 4 months prior to submission date. Create annual and 4 yearBusiness Plans to assist in process.	Clerk RFO All Councillors
	4. Calculation not in accordance with Council regulations.	Checks by RFO and Internal Auditor.	RFO IA
	5. Inadequate internal controls with regard to monitoring expenditure.	Checks by RFO and Internal Auditor. Financial and budgetary progress reports to all PC meetings.	RFO IA

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	6. Reserves too low.	As at 5 above. Review level of reserves annually having regard to long term Business Plan	RFO IA
8. To explore all possible sources of income and ensure that expected income is received.	1. Lack of knowledge of possible sources of income e.g. grants. 2. Lack of commitment to pursue possible sources of income. 3. Receipts not banked or banked properly. 4. Debts not pursued promptly. 5. VAT claims not made promptly or made incorrectly.	Appoint a councillor as Grants Officer to gain experience of all grants available and application procedures. As at 1. Regular checks by councillor appointed as RFO. Internal audit checks. As at 3 above. Ensure clerk has appropriate and up-to-date VAT official publications. Regular checks by RFO. Internal audit checks.	Clerk RFO Grants Officer (GO) Clerk RFO GO RFO Chair IA RFO Chair IA Clerk RFO IA
9. To ensure that salaries paid to employees and amounts paid to contractors are paid in	1. Inappropriate rate of pay to employees.	Ensure employee regulations are available and understood by Clerk. Checks by RFO	Clerk RFO IA

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line with council regulations and adequately monitored.		Internal audit checks. Ensure salary is in accordance with NALC guidance Appoint councillor with responsibility for checking and monitoring all payments to Clerk	
	2. Tax and NI arrangements not in accordance with regulations.	As at 1 above.	Clerk RFO IA
	3. Amounts paid to contractors not in accordance with contract and inadequately monitored.	Checks by RFO Internal audit checks. Appoint councillors to monitor contract work carried out.	RFO IA Clerk
10. To ensure that year end accounts are prepared on the correct accounting basis, on time and supported by an adequate audit trail.	1. Lack of knowledge of Council regulations and procedures.	Financial Regulations to be supplied to all councillors. Attend training seminars where available.	Clerk RFO
	2. Late or non-submission of annual accounts.	Include a time table in Financial Regulations.	Clerk RFO
	3. Year-end accounts not prepared, inaccurate or not in accordance with Council requirements.	RFO to monitor progress against timetable and report to PC meetings. Councillors to monitor progress against timetable	Clerk RFO IA
	4. Inadequate audit trail from records to final accounts.	Checks by RFO. Internal audit checks. As at 3 above.	Clerk RFO IA

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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.	1. Asset register not established or inadequately maintained. 2. Lack of knowledge of assets of Parish Council. 3. Assets lost or misappropriated. 4. Inadequate or inaccurate valuation of the councils' assets.	Create asset register in accordance with Audit Commission requirements. Ascertain and record all assets for which Parish Council is responsible. Establish who is responsible for security and maintenance of each asset. Appoint councillor responsible for regular monitoring of location and use of assets. Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.	Clerk RFO IA Clerk RFO Chair Clerk RFO IA Clerk RFO IA
12. To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.	1. Lack of knowledge of applicable legislation. 2. Lack of public awareness of applicable legislation.	Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at PC meetings. Include as appropriate in any public consultation.	Clerk All Councillors Clerk All Councillors

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	3. Failure to comply with applicable legislation.	As at 1 above.	Clerk All Councillors
13. To carry out adequate safety checks on all buildings, properties and equipment for which the council is responsible.	1. Lack of information on properties and equipment.	Ensure that all current legislation and advice is held by the Clerk. Include in all asset register all properties for which PC responsible.	Clerk Chair
	2. Lack of knowledge of safety requirements.	Ensure that all current legislation and advice is held by the Clerk. Place subject as item on PC meeting agenda at regular intervals.	Clerk Chair
	3. Lack of commitment to carrying out safety checks.	As at 2 above. Delegate responsibility for supervision of particular properties to individual councillors, reporting back to council for any action. Include asset maintenance programme within Business Plan.	Clerk Chair