

TETFORD & SALMONBY PARISH COUNCIL RISK MANAGEMENT

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.

TETFORD & SALMONBY PARISH COUNCIL RISK MANAGEMENT

Mission Statement of TETFORD & SALMONBY Parish Council:

To provide services for, and manage and maintain the Council assets of, the villages of TETFORD & SALMONBY, 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	Status 
<p>1. To ensure compliance with Acts of Parliament, other legislation, the Council's Standing Orders, Financial Regulations and Code of Conduct.</p> <p><i>Including:</i> <i>Freedom of Information</i> <i>Data Protection</i> <i>Child Protection</i> <i>Protection of vulnerable people</i> <i>Local government legislation</i> <i>Equality of opportunity</i> <i>Racial equality</i> <i>Disability legislation</i></p> <p><i>continues</i></p>	a. Lack of knowledge of regulations and codes.	Ensure that all Councillors have copies of or access to relevant information through LALC, copies of an adopted Code of Conduct, Financial Regulations & Standing Orders and a copy of the latest edition of the Good Councillors Guide. Provide specific training where possible.	Chair Clerk All councillors LALC	
	b. Absence of Standing Orders	Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.	Chair Clerk	
	c. Actions by the Council outside its powers as set out by Parliament.	As at 1a above, but ensure that, as necessary, powers are highlighted	Chair Clerk	
	d. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Appropriate delegation of responsibilities to councillors and committees. Compliance with appropriate procedures.	Chair All councillors Clerk	
	e. Items purchased without proper tendering procedures, resulting in accusations of commercial favoritism.	Ensure that all councillors are aware of regulations regarding estimates and full tender procedures.	Chair Clerk	
	f. Payments made without prior approval and adequate control.	Ensure all payments are approved in accordance with the Financial Regulations and properly recorded. Cash payments to be avoided.	Clerk	
	g. Lack of control of signatories to cheques.	Keep authorised signatories to a minimum but consistent with practicalities.	Clerk	

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Status 
<i>continued</i> 1. To ensure compliance with Acts of Parliament, other legislation, the Council's Standing Orders, Financial Regulations and Code of Conduct.	h. VAT not properly accounted for, resulting in over-claims and large demands from HMRC.	Ensure appropriate publications held and that Clerk has a good knowledge of regulations.	Clerk	
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. b. Lack of commitment by council members c. No risk analysis carried out. d. No steps taken to combat identified risks e. An inadequate complement of councillors to manage the business of the council	All councillors to be made aware of need for objectives and identification of risk. Attend training sessions and refresher training. Add risk assessment to agenda at least quarterly, reviewing particular items, and results against those items. As at 2a above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission As at 2b above. 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.	Chair Clerk All Councillors Chair Clerk All Councillors Clerk All Councillors Clerk 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. <i>continues</i>	a. Lack of effective lines of communication with other organisations. b. Lack of effective lines of communication with parishioners.	Note all communication lines which are essential or beneficial and establish/maintain contacts by name and where possible face-to-face. Take every opportunity to publicise role of Parish Council using the Council web site, Tennyson Chronicle, notice board, "flyers" and the Annual Parish Meeting. Use key issues to raise the profile of PC and to test parishioners' views.	Chair Clerk Chair All Councillors Clerk	 

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<i>continued</i> 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.	c. Lack of preparation on subjects requiring influence. d. Lack of confidence by Parish Councillors.	Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information. Experienced councillors and Clerk to assist newcomers to understand roles and responsibilities, to establish essential contacts and to gain procedural awareness.	Chair Clerk Chair All Councillors Clerk	● ●
4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all likely risks.	a. Lack of knowledge of possible culpability of councillors. b. Lack of education of Councillors regarding culpability. c. Inadequate insurance cover taken out – property, personal liability, employer’s liability. d. 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.	Creation of Standing Orders and Code of Conduct and familiarisation with those matters where greatest risk occurs. Experienced councillors and Clerk to assist newcomers to understand culpability. To attend training courses and refresher training as available (see LALC annual training scheme). Review risk assessment by including on agenda at least quarterly. Clerk to keep up-to-date with insurance requirements. 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.	Chair Clerk Chair All Councillors Clerk Chair Clerk Clerk All Councillors ELDC	● ● ● ●
5. To keep appropriate books of account accurately and up-to-date throughout the financial year. To maintain secure banking facilities. <i>continues</i>	a. Lack of knowledge of accounting requirements b. Lack of commitment to accounting requirements.	Ensure all councillors are familiar with current Financial Regulations. Regularly review Standing Orders and Financial Regulations. As at 5a above. CLERK to produce financial budget reports at all Council meetings & full accounts & Bank Reconciliation quarterly Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly.	Chair All Councillors Clerk All Councillors Clerk Internal Auditor	● ●

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Status ● ● ●
<p><i>continued</i></p> <p>5. To keep appropriate books of account accurately and up-to-date throughout the financial year. To maintain secure banking facilities.</p>	c. Bank charges unnecessarily incurred	CLERK to carry out regular inspection of books of account. Internal audit to be undertaken a minimum of annually.	CLERK Internal Auditor	●
	d. Inaccuracies in recording amounts and totals in books of account. Bank reconciliations not carried out.	CLERK to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required.	CLERK Internal Auditor	●
	e. 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.	CLERK	●
	f. To ensure that the banking facilities of the Council are secure and offer value for money.	Using information available in the public domain, the CLERK to periodically review the Councils banking arrangements in respect of achieving both value for money and security, but noting that changing accounts may itself incur some risks.	All Councillors CLERK Internal Auditor	●
	g. Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible. Where cash receipts are unavoidable to record each receipt into the accounts stating 'cash' and to issue the payee with a paper receipt. Cash payments, if unavoidable, shall be claimed as expenses by Officers and Councillors with receipts being presented as evidence.	CLERK All Councillors	●
	h. Books of account not kept up to date/ invoices not posted promptly.	Regular checks by CLERK and internal auditor. Financial reports at all Council meetings.	CLERK Internal auditor	●
	i. Internal controls not in place or not operated.	As at 5h above.	CLERK Internal auditor	●
	j. Payments missed or delayed.	As at 5h above.	As for 5i above	●
<i>continues</i>				

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Status ● ● ●
<i>continued</i> 5. To keep appropriate books of account accurately and up-to-date throughout the financial year. To maintain secure banking facilities.	k. CLERK taken ill or leaves without replacement	The internal auditor can be called upon for advice. Other Officers and Councillors to be familiar with all aspects of financial matters. Local Procedures to exist to explain processes. Cheque payments can still be made as usual. Other staff can be paid by cheque	CLERK	●
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. b. Use of funds not giving value for money. c. Use of funds not in accordance with the wishes of the residents. e. Fund raising not properly controlled or not in accordance with regulations.	As at 3b above Ensure residents and other stakeholders (i.e. local organisations) are consulted on major financial issues, which impact upon them. Effective budget planning processes and appropriate tendering. Creation of a rolling plan for projects and maintenance expenditure. As at 2a above. As at 6a above. All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by CLERK.	All Councillors Clerk Clerk All Councillors All Councillors Clerk All Councillors Clerk	● ● ● ●
7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate. <i>continues</i>	a. Lack of knowledge of budgetary process, and of Council regulations. b. Lack of commitment to budgetary process.	Ensure 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. As at 7a above Involve all councillors in budgetary process, not solely the Clerk.	All Councillors Clerk All Councillors Chair	● ●

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Status ● ● ●
<p><i>continued</i></p> <p>7. 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>c. Inadequate consideration of requirements for annual precept.</p> <p>d. Calculation not in accordance with Council regulations.</p> <p>e. Inadequate internal controls with regard to monitoring expenditure.</p> <p>f. Reserves too low or too high</p>	<p>Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing the initial budgetary process to the CLERK. Start budget build in October well ahead of submission date.</p> <p>Checks by CLERK and Internal Auditor.</p> <p>Checks by CLERK and Internal Auditor. Financial and budget progress reports to all Council meetings.</p> <p>The general reserve (not earmarked) to be at least 25% of typical annual income or as otherwise advised by the CLERK / Internal auditor. The general reserve (not earmarked) not to exceed 75% of typical annual income or as otherwise advised by the CLERK / Internal auditor.</p>	<p>All Councillors Clerk</p> <p>CLERK Internal auditor</p> <p>CLERK Internal auditor All Councillors</p> <p>CLERK Clerk All Councillors</p>	<p>●</p> <p>●</p> <p>●</p> <p>●</p>
<p>8. To explore all possible sources of income, and ensure that expected income is fully received.</p> <p>To explore all possible sources of income, and ensure that expected income is fully received.</p>	<p>a. Lack of knowledge of possible sources of income e.g. grants.</p> <p>b. Lack of commitment to pursue possible sources of income.</p> <p>d. Receipts not banked or not banked promptly</p> <p>e. VAT claims not made promptly or made incorrectly</p>	<p>Encourage training and conference attendance to gain experience of all grants available and application procedures.</p> <p>As at 8a above.</p> <p>Regular checks by CLERK and Council. Internal audit checks.</p> <p>Ensure Clerk has appropriate & up to date VAT information; Internal Audit checks</p>	<p>Chair Clerk</p> <p>All Councillors Clerk</p> <p>Clerk Internal audit</p> <p>Clerk</p>	<p>●</p> <p>●</p> <p>●</p> <p>●</p>

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<p>9. To ensure that salaries paid to employees and amounts paid to contractors are paid in line with Council regulations and budget and statutory legislation. Ensure payments are adequately monitored.</p>	<p>a. Inappropriate rate of pay to employees.</p> <p>b. Tax and NI arrangements not in accordance with regulations.</p> <p>c. Amounts paid to contractors not in accordance with contract and inadequately monitored.</p>	<p>Ensure employee regulations are available and understood by Clerk. Checks by CLERK. Internal audit checks.</p> <p>As at 1 above.</p> <p>Checks by CLERK and internal audit.</p>	<p>CLERK Internal audit</p> <p>CLERK Internal audit</p> <p>CLERK Internal audit</p>	<p>●</p> <p>●</p> <p>●</p>
<p>10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.</p> <p>To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.</p>	<p>a. Lack of knowledge of Council regulations and procedures.</p> <p>b. Late or non- submission of annual accounts.</p> <p>c. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements.</p> <p>d. Inadequate audit trail from records to final accounts.</p>	<p>Compliance with Financial Regulations and Standing Orders. Attend training seminars where available.</p> <p>Compliance with the instructions of the External auditor. CLERK to ensure full Council approve accounts & Year-end Audit & receive External Auditors Report</p> <p>Checks by CLERK. Internal audit checks.</p> <p>As at 10c above.</p>	<p>CLERK All Councillors</p> <p>Clerk All Councillors</p> <p>CLERK Internal auditor All Councillors</p> <p>CLERK Internal auditor All Councillors</p>	<p>●</p> <p>●</p> <p>●</p> <p>●</p>

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<p>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.</p>	<p>a. Lack of knowledge of assets of Parish Council.</p> <p>b. Assets lost or misappropriated</p> <p>c. Inadequate or inaccurate valuation of the council's assets.</p>	<p>Ascertain and record all significant assets for which Parish council is responsible. Create and maintain a permanent asset register.</p> <p>Regular monitoring of location and use of assets</p> <p>Internal audit checks. <i>[Note that the Annual Return now requires original asset values not current values.]</i></p>	<p>CLERK</p> <p>CLERK</p> <p>CLERK All Councillors Internal Auditor</p>	<p>●</p> <p>●</p> <p>●</p>
<p>12. To carry out adequate safety checks on the public open space and street furniture owned by the Council.</p> <p><i>Street Furniture</i> <i>Flag Pole?</i> <i>Bus Shelter?</i> <i>Dog Bins?</i> <i>Telephone Kiosk?</i></p>	<p>a. The lack of or an inadequate programme of maintenance allows the persistence of safety hazards (e.g. trip hazards, dangerous trees, faulty gates, faulty seats, faulty bins etc).</p>	<p>Regular checks by 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.</p>	<p>All Councillors Contractors Public users</p>	<p>●</p>

Adopted by Tetford & Salmonby Parish Council at its meeting on 19th October 2016, Minute Reference 00204

Reviewed by Tetford & Salmonby Parish Council on 12th June 2019, Minute Reference 00795