

## UTTERBY PARISH COUNCIL RISK MANAGEMENT -

Reviewed and approved at the Parish Council meeting **6th March 2024**

To provide services for, and manage and maintain the assets of, the village/town of Utterby, within the resources provided by the annual precept and other incomes, taking into account the wishes of the residents and obtaining value for money.

### Key

### Risk Level Matrix

Likelihood	
1	Unlikely to happen, once in 20 years or more
2	Unlikely to happen, once in 10 years or more
3	Likely to happen, once in 4 years or more
4	Very likely to happen, once a year or happend recently

Impact	
1	Temporary of minor impact on Council (finance or reputation) and impact lasts less than a month
2	Some impact on Council (finance or reputation) and impact lasts less than three months
3	Substantial impact on Council with consequences (finance or reputation) with impact up to a year
4	Significant impact on Council with consequences (finance or reputation)with impact over a year

Likelihood x impact	1	2	3	4
1	1	2	3	4
2	2	4	6	8
3	3	6	9	12

Risk	Measures
1-4	Overall risk is low, regular monitoring but action not urgent
6-9	Overall risk is medium, monitoring essential and action required to mitigate risks
12-16	Overall risk is high, essential action is required immediately to manage risk.

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Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Current Risk Likelihood x Impact	Action needed
<p>1. To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	1. Lack of knowledge of regulations and codes.	Ensure that all Councillors have copies of relative Acts, Code of Conduct, and Standing Orders. Highlight essential parts and provide training where possible.	Chair Clerk/RFO	2x4=8	
	2. Absence of standing orders	Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.	Chair Clerk/RFO	2x4=8	
	3. Actions by the PC outside its powers as set out by Parliament.	As at 1 above, but ensure that powers are highlighted or extracted into effective summary.	Chair Clerk/RFO	2x4=8	
	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 Clerk/RFO	2x4=8	
	5. Items purchased without proper quotation or tendering procedures, resulting in accusations of commercial favoritism.	Ensure that all councillors are aware of regulations re quotations/ estimates and full tender procedures. All purchase costs over £500 require 3 quotations where possible. For purchases under £500 quotations are required where feasible (cost and availability). See Financial Regulations for full information	Chair Clerk/RFO	2x4=8	
	6. Payments made without prior approval and adequate control.	Ensure all payments are approved in Council meetings and recorded in minutes. See Financial Regulations for payment not approved in Council Meetings. Keep cash payments by the Clerk and Councillors for expenses (ie stationery) to a minimum, and avoid if possible. No cash payments to contractors.	Clerk/RFO	1x4+=4	
	7. Lack of control of signatories to cheques.	Keep authorised signatories to a minimum but consistent with practicalities. Ensure at least two signatories are not connected to regular payments made ie reimbursement of expenses	Clerk/RFO  Clerk/RFO	4x2=8  2x2=4	

	8. VAT not properly claimed.	Ensure Clerk has good knowledge of regulations and method to claim VAT			
<b>2.</b> To identify and regularly review the Council's priorities.	1. 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 if practicable.	Clerk/RFO Councillors	3x1=3	
	2. Lack of commitment by council members	Add risk assessment to agenda annually, reviewing particular items, and results against those items.	Clerk/RFO	3x1=3	
	3. No risk analysis carried out.	Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission	Clerk/RFO	2x3=6	
	4. No steps taken to combat identified risks	As at 2 above.	Clerk/RFO	2x3=6	
<b>3.</b> To influence other council departments and Government organisations to fulfil the requirements of the Parish population.	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 councillors. Establish contacts by name.	Clerk/RFO	2x2=4	
	2. Lack of effective lines of communication with parishioners.	Take every opportunity to publicise role of Parish Council. Publish and distribute Utterby Voice, website and social media. Use Notice Boards and produce flyers for information.	Clerk/RFO Councillors	2x2=4	
	3. Lack of preparation on subjects requiring influence.	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.	Clerk/RFO Chair	4x2=8	
	4. 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.	Clerk/RFO	3x2=6	
		Where possible encourage experienced councillors to assist new councillors to establish essential contacts.	Clerk/RFO Chair	2x2=4	
<b>4.</b> To ensure that all	1. Lack of knowledge of possible	Creation of standing orders and familiarisation with	Clerk/RFO	2x3=6	

<p>councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.</p>	<p>culpability of councillors.</p> <p>2. Lack of education of Councillors regarding culpability.</p> <p>3. Inadequate insurance cover taken out – property, personal liability, employer’s liability.</p>	<p>those where greatest risk occurs.</p> <p>Where possible delegate responsibility to one or two councillors to assist new councillors to understand culpability. Attend any training courses available.</p> <p>Review risk assessment by including on agenda annually. Request that an individual councillor assesses insurance cover &amp; risks.</p>	<p>Clerk/RFO Chair</p> <p>Clerk/RFO Chair</p>	<p>2x3=6</p> <p>3x3=9</p>	
<p><b>5.</b> To keep appropriate books of account accurately and up-to-date through out the financial year.</p>	<p>1. Lack of knowledge of accounting requirements</p> <p>2. Lack of commitment to accounting requirements.</p> <p>3. Inaccuracies in recording amounts and totals in books of account. Bank reconciliations not carried out.</p> <p>4. Inadequate control of cash receipts and payments.</p> <p>5. Books of account not kept up to date/ invoices not posted promptly.</p> <p>6. Internal controls not in place or not operated.</p>	<p>Ensure all councillors are familiar with current financial regulations and council’s Standing Orders. Regularly review Standing Orders and Financial Regs. Appoint two separate Councillors to check the financial management on a quarterly basis.</p> <p>Clerk/RFO to produce financial monitoring report on a quarterly basis. Internal audit report to be made available to all councillors and any recommendations to be acted upon promptly.</p> <p>Clerk/RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal checks to advise on internal controls required.</p> <p>Avoid cash payments and receipts if possible for expenses. No petty cash system or cash payment to contractors is to be used.</p> <p>Regular checks by RFO and internal Designated Councillor. Financial monitoring report ever quarter at PC meetings.</p> <p>As at 5 above. As at 5 above.</p>	<p>Clerk/RFO Chair</p> <p>Clerk/RFO Designated Councillor</p> <p>Clerk/RFO</p> <p>Clerk/RFO Designated Councillor Clerk/RFO</p> <p>Clerk/RFO Designated Councillor</p> <p>Clerk/RFO Designated Councillor</p>	<p>2x3=6</p> <p>2x3=6</p> <p>2x3=6</p> <p>3x2=6</p> <p>2x2=4</p> <p>2x2=4</p>	

	7. Payments missed or delayed due to Clerk taken ill or leaves without replacement	Designated Councillor to oversee the processing of urgent payments and to contact LALC for temporary Clerk RFO cover.	Designated Councillor	4x3=12	
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.	Ensure residents are consulted on all major financial issues through Utterby Voice, website and Social Media.	Clerk/RFO	3x2=6	Advert for ideas in Utterby Voice
	2. Use of funds not giving value for money.	Effective budget planning processes. Creation of annual plan after consultation process. Creation of outline 2/3 year plan.	Clerk/RFO Chair /Councillors	3x2=6	2-3 plan required
	3. Use of funds not in accordance with the wishes of the residents.	Parish Council to review when setting budgets and Precept	Clerk/RFO Chair /Councillors	3x2=6	Parish Meeting required
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.	1. Lack of knowledge of budgetary process, and of Council regulations.	Include regulations in Standing Orders issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required.	Clerk/RFO	2x3=6	2-3 plan required
	2. Lack of commitment to budgetary process.	Delegate responsibility for managing initial budgetary process to a Chair and Clerk/RFO.	Clerk/RFO Chair	2x3=6	
	3. Inadequate consideration of requirements for annual precept	Involve all councillors in continued budgetary process, not solely the Clerk/RFO	Clerk/RFO Councillors	2x3=6	
	4. Calculation not in accordance with Council regulations.	Place item on agenda early in year to remind councillors of budget process and actions required.	Clerk/RFO Councillors	2x3=6	
	5. Inadequate internal controls with regard to monitoring expenditure.	Start consideration of need at least 4 months prior to submission date. Create annual and 2/3 plans to assist in process.	Clerk/RFO Councillors	2x3=6	
	6. Reserves too low.	Checks by RFO and Designated Councillor Financial and budget progress reports to all PC meetings.	Clerk/RFO Councillors	1x4=4	
8. To explore all possible sources of income, and ensure that expected income is fully received.	1. Receipts not banked or not banked promptly.	Regular checks by councillor appointed as RFO. Designated Councillor to check	Clerk/RFO Councillors		
	2. VAT claims not made promptly or	Regular checks by RFO.	Clerk /		

	made incorrectly.	Designated Councillor to check	Designated Councillor		
<b>9.</b> To ensure that salary paid to employee and amounts paid to contractors are paid in line with council regulations, and are adequately monitored.	1. Inappropriate rate of pay to employees.	Ensure employee regulations are available and understood by Clerk/RFO . Designated Councillor to check	Clerk/RFO Designated Councillor	2x4=8	
	2. Tax and NI arrangements not in accordance with regulations.	As at 1 above.	Clerk/RFO Designated Councillor	2x4=8	
	3. Amounts paid to contractors not in accordance with contract and inadequately monitored.	Internal audit checks. Checks by Clerk/RFO. Designated Councillor to monitor contract work carried out.	Clerk/RFO Designated Councillor	2x4=8	
<b>10.</b> 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.	Ensure Councillors are aware of Financial Regulations and Standing Orders. Attend training seminars where available.	Clerk/RFO Designated Councillor	2x3=6	
	2. Late or non- submission of annual accounts.	Clerk/RFO to monitor progress against timetable and report to PC meetings.	Clerk/RFO Designated Councillor	2x3=6	
	3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.	Checks by Clerk/RFO Designated Councillor to check Internal auditor to audit accounts and complete part of Audit Return.	Clerk/RFO Designated Councillor	2x3=6	
	4. Inadequate audit trail from records to final accounts.	As at 3 above.	Clerk/RFO Designated Councillor	2x3=6	
<b>11.</b> To identify, value, and maintain all the assets of the Parish Council, and ensure that asset register is complete, accurate and properly maintained.	1. Lack of knowledge of assets of Parish Council.	Ascertain and record all assets for which Parish Council is responsible. Create permanent asset register.	Clerk/RFO Designated Councillor	1x3=3	
	2. Assets lost or misappropriated	Establish who is responsible for security and maintenance of each asset. Appoint a designated councillor responsible for regular monitoring of location and use of assets.	Clerk/RFO Designated Councillor	1x4=4	
	3. Inadequate or inaccurate valuation	Arrange for annual review of valuations and arrange	Clerk/RFO Designated	2x3=6	

	of the council's assets.  4. Asset register not adequately maintained.  5. Contractors not sufficiently covered by public liability insurance	for professional valuation where necessary. Internal audit checks.  Create asset register in accordance with Audit Commission requirements.  Main grass cutting/tree/hedgecutting/structural contractors have public liability insurance	Councillor  Clerk/RFO Designated Councillor  Clerk/RFO	  2x3=6  2x4=8	Requesting cert from bus shelter cleaning contractor
<b>12.</b> 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.  3. Failure to comply with applicable legislation.	Clerk/RFO to have all appropriate legislation available. Review liabilities and responsibilities annually at PC meetings.  Include, as appropriate, in any public consultations and policy on the website.  Be advised by LALC and NALC, SLCC.	Clerk/RFO  Clerk/RFO  Clerk/RFO	2x4=8  3x2=6  3x3=9	
<b>13.</b> To carry out adequate safety checks on all equipment /structures for which the council is responsible.	1. Lack of information on equipment/structures.  2. Lack of knowledge of safety requirements.  3. Lack of commitment to carrying out safety checks.	Ensure that all current legislation and advice is held by Clerk/RFO. Include in asset register all assets for which PC responsible. Place subject as item on PC meeting agenda annually.  Clerk to hold latest asset condition report for shelters  Delegate responsibility for supervision of particular assets to individual councillors, reporting back to council for any action.	Clerk/RFO  Clerk/RFO  Clerk/RFO Designated Councillor	3x3=9  1x3=3  3x3=9	Annual condition report to be undertaken on all assets <del>look</del>  As above
<b>14.</b> Pandemic Outbreak – To ensure the effective running of the Parish Council and safety of the Councillors and contractors.	1. Council business is not carried out and the Council does not function. 2. Meetings are not held in line with legislation 3. Councillors / employees are put at risk with contact with others. 4. Employee and contractors are not paid if meetings are not held and cheques signed.	Meetings moved to virtual conference meetings if statutory regulations are revised  Contact made by Clerk to Councillors by online conferencing, email or phone. Emergency gathering of 4 councillors could be held on village green with social distancing and masks. Councillors only contacted face to face with Clerk for cheque signing to allow payments to be made with social distancing and masks. Payments resolved at online meeting prior to signing.	Clerk/Councillors  Clerk/Councillors  Clerk/Councillors	3x2=6  3x2=6  3x2=6	

