

## KIRKBY OVERBLOW PARISH COUNCIL – RISK ASSESSMENT – MARCH 2019

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	<b>Key</b>	<b>a = Severity of Hazard if it were to occur</b>				
		<b>b = Likelihood of occurrence / probability</b>				
<b>No</b>	<b>Subject</b>	<b>Risks Identified</b>	<b>a- L/M/H</b>	<b>b- L/M/H</b>	<b>Management &amp; Control of Risk</b>	<b>Review / Reassessment</b>
	<b>Financial</b>					
1	Payments: invoices	Cheque written in incorrect amount or payee incorrect/incorrect bank transfer	L	L	Internal controls: RFO and member check invoice; 2 initial cheque stubs	Governed by Financial Regulations
		Blank cheques signed	H	L	Blank/incomplete cheques never signed	“
		Security of cheque books	M	L	RFO retains cheque books in secure drawer	“
2	Payments: Wages & Salaries	Incorrect numbers of hours paid	M	L	Hours worked are recorded signed for and checked by RFO each session. Members conduct random checks	Governed by Financial Regulations.
		Incorrect calculation/wrong deductions	L	L	Council currently employs Payroll Services Company - HMRC PAYE paid by cheque 3 monthly by Council.	
		Fictitious employee	H	L	Only 1 employee.	N/A
		Late/incorrect end of year PAYE return	H	L	Council currently employs Payroll Services Company - Online filing, RFO makes end of year report to council	Annual – May
3	Income: precept	Correct amount not received	H	L	Checked against precept form & budget.	Annual – May
	grants	Correct amount not received	H	L	Date flagged in diary/checked when received	Annual
	VAT	Correct amount not claimed	H	L	VAT forms correctly completed. Random checks by members	Annual – April
	VAT	Correct amount not received	H	L	VAT payment checked against claim form	Annual – April/May
	other income	Correct amount not received	M	L	List of other sources regularly checked	Annual
	Bad debts	Loss of income to Council	L	L	No income from individual contracts.	
4	Banking: reconciliation	No agreement between funds in bank and cashbook	H	L	Bank reconciliation carried out weekly.. Reported to Council every 2 months for inclusion in minutes	2 Monthly.
5	Financial records	Inadequate records masking irregularities	H	L	Adhere to the Council's Financial Regulations – clear guidance as to proper practice	Random sampling by members

6	Annual return	Late submission	H	L	Comply, complete and return as instructed by External .Audit. Report to full Council.	Annual
7	Employees/ Appointees	Fraud & embezzlement	H	L	Robust internal controls strictly adhered to. All payments checked by 2 members. Fidelity guarantee in place with insurers.	Continual. Insurance-annual
		Incorrect hours contracted for the post	H	L	Full Council agrees all terms of contract	Annual review
		Incorrect hours claimed	H	L	Full Council agrees overtime hours in advance for special projects or circumstances only	
		Incorrect mileage claimed	H	L	Number and reason for journeys recorded on mileage record form. Checked by RFO member. Random checks of vehicle mileage by members	Checked when claimed
8	PO/RFO reimbursement	Incorrect claim/items not for Council	H	M	Payment only against invoices. Items in office for ID. Random checks by members	Random checks
	Other Reimbursements	Incorrect claims/math	H	L	Maths checked by RFO and also by 1 of 2 signatories.	Continuous
9	PO/RFO	Lack of impartiality/evidence of bias. Post holder exerting undue influence over decisions.	H	L	The Council, as employer maintains knowledge & control of both areas of work and all that they entail. Members alert to possibility of bias.	Ongoing involvement by members. Continuous scrutiny
10	Contracts: grass cutting, footpaths and any others	Not obtaining best value	M	L	Obtain 3 quotes for all work over £200	Discussed and agreed by full Council
	Contracts	Work not up to standard	M	L	Carry out regular checks	PO/RFO & members review quality and standards
11	Insurance	Inadequate cover	H	L	Review each year with specialist Local Council insurers. Obtain three quotes before renewal date	Annual
		All property not identified	M	L	Keep accurate Asset Register	When changes occur and annual
		Inadequate employer/public liability	H	L	Check when insurance renewed	Annual
		Asset register inaccurate for insurance	H	L	Maintain accurate register and review	Annual
12	Budgets	Allocation categories and amounts are insufficient	H	L	Examine trends and forecasts. Estimated expenditure needed for next financial year is discussed in Oct/Nov. and budget set in November	Annual
		Unforeseen expenses	H	L	Contingency allowed in each allocation plus separate contingency sum for unforeseen expenditure.	
		Ear-marked reserves not clearly identified	M	L	Identify/adjust when setting budget	Annual
13	Internal Audit	Check list not comprehensive	H	M	Ensure all financial controls and procedures are in place	Continual
					Review internal audit programme	Annual

14	Asset Register	Not up-to-date/inaccurate record	H	M	Review and update when changes occur.	Ongoing/Annual
15	Fines	Fine by Data Protection Office – non registration	H	L	Register and pay promptly. Reminder in diary	Annual
	<b>Conflict of Interests</b>					
16	Member working as RFO/PO	A member in this position could try to exert undue influence particular in matters relating to budgeting and expenditure.	M	M	RFO abstains from discussion and vote over budget and other major financial decisions. RFO/PO is mindful at all times of the widest interpretation of the Code of Conduct particularly Integrity and Impartiality. Declare an interest if in doubt.	Continual
	Member with special responsibility	Such a member could favour their own area and influence decision making.	M	L	Members are mindful at all time of the widest interpretation of the Code of Conduct re Integrity and Impartiality. Declare an interest if in doubt.	Ongoing
	All members	A member with special area of interest also has business interest with the Council			No member with special area of interest has business registered with the Council	Annual
	“	Members who own businesses failing to declare	H	L	Members have received Code of Conduct training	
17	Dispensations re Code of Conduct	PO/RFO in too difficult a position to grant dispensations, particularly if involved as a member (NALC Code)	n/a	n/a	Dispensations re Code of Conduct hear and decided by full Council	When conflicts are identified
	<b>Policies</b>					
18	Standing Orders	Inadequate/out of date	H	L	Customise from YLCA/NALC Model and members become familiar with them. Update annually.	Annually in July
	Financial Regulations	Inadequate/out of date	H	L	Ditto	Annually in July
	Risk Assessment	Significant risks not identified	M	L	Continual awareness and recording of possible new areas of risk	3 yearly
	<b>All other policies</b>					
	Complaints Procedures }	Outdated, inadequate policies that do not serve their purpose	H	M	Ensure all Council policies function properly in practice and are fit for purpose.	Annually in July
	Disciplinary procedure }	Ditto			Ditto	
	Publication Policy }	Ditto			Ditto	

	Appeals Procedure }	Ditto			Ditto	
	Data Protection }	Ditto			Ditto	
	FOI	Ditto			Ditto	
	<b>General Risks</b>					
19	Business continuity	Absence of PO/RFO due to illness or accident	H	L	Deputy is appointed and shadows work of PO/RFO. Use list of locum Clerks if need be.	Continuous sharing of work, knowledge and practices
	Legal Powers	Making ultra vires decisions	H	L	Full council decision making. PO and Deputy trained to seek/give advice	
	Maintenance	No regular programme. Could result in neglect.	H	L	Devise written programme and budget for maintenance	Review prior to budgeting
	Records – paper	Inaccurate filing – poor storage conditions	L	L	Stored in box files in clean dry conditions.	Ongoing
	Records – electronic	Loss of data through computer failure	H	L	Cloud backup of laptop data files on creation and update	Continuous
	Security	Insecure confidential records	H	L	Premises locked when empty. Key holding restricted.	
	Parish Office	Insecure area	H	L	Premises locked when empty. Key holding restricted.	