

KIRKBY OVERBLOW PARISH COUNCIL – RISK ASSESSMENT – MARCH 2021

No	Subject	Risks Identified	a- L/M/H	b- L/M/H	Management & Control of Risk	Review / Reassessment
	Key	a = Severity of Hazard if it were to occur				
		b = Likelihood of occurrence / probability				
	Financial					
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	“
		Most payments now by bank transfer	M	L	2 cllrs sign authorisation sheet having seen invoice and bank statement	Due to non physical meetings, cllrs approve bi monthly payment schedule in conjunction with bank rec. Chairman confirms with sight of bank statement.
2	Payments: Wages & Salaries	Incorrect numbers of hours paid	M	L	Standard monthly amount paid. Agreed in advance annually. (see below)	Governed by Financial Regulations.
		Incorrect calculation/wrong deductions	L	L	Use of HMRC standard software – PAYE calculated automatically (see below)	
		Fictitious employee	H	L	Only 1 employee.	N/A
		Late/incorrect end of year PAYE return	H	L	Driven by HMRC online system	Annual – May
					Clerk's salary now paid monthly via Basic PAYE Tools. Annual salary approved by cllrs, monthly amount calculated and agreed (gross and net, including PAYE amount) Monthly payment remains the same until national pay award.	Salary and PAYE included in bi monthly payment schedule, as above.
3	Income: precept	Correct amount not received	H	L	Checked against precept form & budget.	Annual – May/Oct

	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 monthly. 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	PC/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/maths	H	L	Maths checked by RFO and also by 1 of 2 signatories.	Continuous
9	PC/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
	Conflict of Interests					
16	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
	Policies					
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

	All other policies					
	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	
	General Risks					
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.	