



LANDFORD PARISH COUNCIL – RISK ASSESSMENT

ADOPTED BY FULL COUNCIL – 14 February 2024

INTRODUCTION AND PURPOSE

This document is designed to ensure the Parish Council meets its requirements, as detailed in the Joint Panel on Accountability and Governance Practitioners' Guide March 2023, in respect of the **Annual Governance Statement's Assertion 5** which requires the authority to confirm that:

“We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. “

To warrant a positive response to this assertion, the Parish Council needs to have the following arrangements in place:

- Identifying and assessing risks — The Council needs to identify, assess, and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.
- Addressing risks — Having identified, assessed, and recorded the risks, the Council needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

The Council generally, and members individually, are responsible for risk management. The Council is required to identify both financial and operational risks, record the controls and mitigations in place, and formally report these for consideration by Councillors.

RISKS

Risks are uncertain events or conditions that if they occur, will affect the Council's ability to achieve its objectives. Some risks are unavoidable and need to be managed either by mitigation or controls such that they are tolerated, treated, transferred or terminated. Insurance is a significant way of managing and reducing risks relating to property, cash and legal liability (amongst other things). Typical categories of risks include:

- financial – loss of money;
- security – fraud, theft, embezzlement;
- property – damage to property;
- legal – breaking the law or being sued;
- IT – failure of IT systems or misuse or data loss; and
- reputational – actions taken could harm the authority's public reputation.

A - FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Assessment
Councillors	Becoming inquorate (losing ability to conduct business of the Council) through loss of councillor membership or councillor non-attendance.	L	<ul style="list-style-type: none"> Existing legal process for vacancies leads to either a by-election or co-option (an election is out of the Parish Council's control). Timetable of full council meetings for the calendar year are published in advance and members are served with an Agenda at least three clear days beforehand. Six months' consecutive absence by a councillor leads to their disqualification. In the event membership falls below three, Wiltshire Council's legal process to appoint members takes place. 	Existing procedures adequate.
Business continuity	Council not being able to continue its business due to an unexpected or tragic circumstance.	L	<ul style="list-style-type: none"> Agendas, minutes and governing documents can be accessed via the website. All current master documents are held by the Clerk/RFO in secure cloud-based storage and may be accessed via their log-in. Locum clerks / RFOs may be employed through SLCC. 	Review when necessary.
Precept	Inadequacy of precept; Requirements not submitted to WC in time.	L	<ul style="list-style-type: none"> The Clerk/RFO provides Council with quarterly budget monitoring statements, and meets with the Finance Group to share a first draft budget for the following year with annotations and notice of the bank account balances. A first draft is then taken to Council in November, with feedback from all Councillors and further work by the Clerk / RFO ahead of the December meeting. Consideration is given to any planned projects and monies to be held in reserves (general and ear-marked) to assure as to financial resilience. The Band D contribution is estimated to indicate financial impact upon households. A final budget is agreed in January and the Clerk / RFO issues the precept request to WC ahead of the deadline. All meeting discussions on the budget / precept are minuted. The Clerk informs Council when the precept funds are received (April 50% and September 50%). 	Existing procedures adequate.

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Assessment
Financial Records	Inadequate records; Financial irregularities	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. 	Existing procedures adequate. Financial Regulations adopted September 2023.
Bank and Banking	Inadequate checks; Bank mistakes; Loss of signatories.	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. The Clerk / RFO reconciles the bank accounts against statement at least once a month. Adequate coverage of authorised signatories for continuity of authorising payments – three signatories with two required for authorization. New or updated bank mandates are promptly actioned by the Clerk / RFO. Adequate insurance in the event of loss through theft or dishonesty. 	Existing procedures adequate.
Cash	Loss through theft or dishonesty.	L	<ul style="list-style-type: none"> The Council does not undertake cash transactions nor hold petty cash. 	Existing procedures adequate.
Litigation	Legal action against the Council.	L	<ul style="list-style-type: none"> The Council holds Public and Products Liability and Employers Liability insurance. Council performs periodic / annual assessments as appropriate for risks (properties, playgrounds, trees, electrics) 	Insurance is adequate for requirements.
Financial Reporting	Untimely payment of invoices.	L	<ul style="list-style-type: none"> A Payments and Receipts Report is produced by the Clerk / RFO monthly. The Finance Group verifies payments to invoices prior to authorization. 	Existing procedures adequate.
Direct costs and Debts / invoices	Goods not supplied but invoiced, incorrect invoicing, BACS set-up incorrectly, unpaid invoices.	L	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. Four-step payment process: Clerk / RFO emails Receipts and Payments Report and invoices for payment to Councillors ahead of Council meeting; Councillors approve payments as listed; Clerk / RFO loads payments to bank account; 2x authorised Councillors check payments loaded to invoices before authorising. 	Existing procedures adequate.
Grants payable	Payments made without authority.	L	<ul style="list-style-type: none"> All expenditure follows the required Council process of approval, and in compliance with Financial Regulations, and is minuted. Any payments using the S137 LGA1972 power are undertaken in compliance with legislation. 	Existing procedures adequate.

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Assessment
Grants receivable	Grant not received	L	<ul style="list-style-type: none"> Grants are receivable in accordance with their specified terms and conditions. 	Procedures are as per the grant T&Cs.
Best value	Contracts are awarded in breach of Regulations	L	<ul style="list-style-type: none"> The Financial Regulations set-out the quotation and tender process, including emergency spend powers. 	Existing procedures adequate.
Salaries and on-costs	Salary paid incorrectly (wrong hours / rates / deductions for HMRC or Pension); False employee	L	<ul style="list-style-type: none"> The Council approves the appointment and salary award of its Clerk / RFO through an HR Committee, approved by Full Council. The Clerk / RFO has a contract of employment and job description. Salary is awarded using the SCP scale as notified by NALC that the National Joint Council for Local Government Services has reached agreement with SLCC and ALCC. Payroll services are provided by an independent provider who issues all documentation to the Council prior to each payroll; this is shared with HR Group and Finance Group. Clerk / RFO paid by BACs one month in arrears (following authorisation by two approved signatories). 	Existing systems adequate.
Employee	Loss of Clerk / RFO; Fraud by Clerk / RFO; Breach of Health and Safety Regulations	M	<ul style="list-style-type: none"> Single point of failure as only one employee with relatively short notice period. Clerk / RFO notice period is 1 month (less than 2 years' service) and 2 months (more than 2 years' service) The Council holds Fidelity Guarantee insurance with regards to Fraud. Clerk / RFO should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. 	Existing procedures adequate. Potentially review notice period for next employee.
Election costs	Insufficiently budgeted election costs	M	<ul style="list-style-type: none"> Unexpected by-elections occur for which WC recharge election costs (no costs arise under co-options). Costs of scheduled elections coinciding with unitary elections are currently met by WC; this may change as policies are reviewed. If costs become rechargeable, the Clerk / RFO will obtain an estimate of costs from WC. Council to budget towards the cost of May 2025 election as part of budget setting for 2025/26. 	Existing procedures adequate.

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Assessment
VAT	VAT is not re-claimed	L	<ul style="list-style-type: none"> Financial Regulations set out the requirements. VAT is re-claimed annually using the VAT 126 claims process. 	Existing procedures adequate.
Internal Audit	Internal audits are not carried out	L	<ul style="list-style-type: none"> Internal auditor is appointed by the Council through a competitive process. Internal auditor is supplied with all relevant documents through effective liaison with Clerk / RFO. Interim and final audits are performed. 	Existing procedures adequate.
Annual Return	Completion and submission not undertaken within time limits	L	<ul style="list-style-type: none"> End of year accounts are prepared by the Clerk / RFO in accordance with legislation. Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing prior to all relevant documentation being submitted to the External Auditor within time frames. 	Existing procedures adequate.
Legal Powers	Illegal activity or payments undertaken	L	<ul style="list-style-type: none"> All activity and payments within the powers of the Parish Council are resolved and minuted at Full Council Meetings, including, if necessary, reference to the power used, and in accordance with Financial Regulations. 	Existing procedures adequate.
Minutes / Agendas / Notices and Statutory documents	Minutes, agendas and notices do not comply with legislative requirements	L	<ul style="list-style-type: none"> Minutes and agendas are produced in the prescribed method by the Clerk / RFO and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting by the Chair. Minutes and agendas are displayed according to the legal requirements. Business is conducted at Council meetings and managed by the Chair. 	Existing procedures adequate. Members to adhere to Code of Conduct.
Members Interests	Register of Members Interests is not maintained and Members do not declare interests	L	<ul style="list-style-type: none"> Members declare any interests as required by agenda item. Members are requested to annually review their interests, or if circumstances change, and to notify the Clerk / RFO for updating the Register of Members Interests. 	Existing procedures adequate. Members to notify of any changes to Interests.

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Insurance	Insurance coverage is inadequate	L	<ul style="list-style-type: none"> • An annual review is undertaken (prior to policy renewal) of the adequacy of insurance arrangements. • A broker is used to obtain best value from the market. 	Existing procedures adequate.
Data Protection Regulations	Regulations are not adhered to	L	<ul style="list-style-type: none"> • The Council is registered with the Information Commissioners Office and this is renewed annually (DD set-up for automatic renewal) • The council has adopted all recommended policies associated with the GDPR • Statement is published on Council's website 	Existing procedures adequate, and Clerk / RFO to update policies as required by legislation.
FOI Act	Freedom of information requests are not processed in accordance with legislation.	L	<ul style="list-style-type: none"> • The Clerk / RFO will process requests on a timely basis. • The Council can request a fee if the work to satisfy the request takes more than 18 hours to complete (@ £25 per person per hour or £450 – Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004) 	Monitor and report to Council any impacts from FOI requests.

B – PROPERTY AND EQUIPMENT				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Assessment
Assets	Loss or damage to third parties or property	L	<ul style="list-style-type: none"> An annual review of assets is undertaken for insurance provision, storage and maintenance provisions. 	Asset Register is updated annually, and a Location and Inspection Register has been introduced
Maintenance	Poor performance of assets or amenities, or loss of income or performance	L	<ul style="list-style-type: none"> All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are authorised in accordance with the procedures of the Council. Assets are insured and reviewed annually. 	Existing procedures adequate. Ensure inspections are carried out.
Notice boards	Risk / damage / injury to third parties	L	<ul style="list-style-type: none"> Any repairs and maintenance requirements are brought to the attention of the Council and are attended to by Councillors. 	Existing procedures adequate.
Street furniture	Risk / damage / injury to third parties	L	<ul style="list-style-type: none"> All reports of damage or faults are reported to Council and are attended to by Councillors. 	Existing procedures adequate.
Council records (Paper and Electronic)	Loss through theft, Fire, or corruption	L	<ul style="list-style-type: none"> The Parish Council's electronic records are saved in secure cloud-based storage, password protected and accessed via computer. Laptops are password protected. Access to all Council accounts are password protected. 	Existing procedures adequate.