

# Pannal and Burn Bridge Parish Council

## Risk Assessment and Risk Management Policy

Adopted Date: 3<sup>rd</sup> October 2024 Parish Council meeting

Reviewed:

Next Review due: October 2025

### Financial Risk Assessment Policy

The Parish Council has looked at the financial risks that it must deal with and resolved to adopt the following policy.

1. **Handling Cash**

The Parish Council handles cash on a very infrequent basis. The only regular income is the precept, annual VAT returns and, on occasions, NYC Locality Budget payments which have a determined expenditure focus. All of these are paid directly into the Parish Council's bank account.

2. **Employers' liability**

The Parish Council employs one employee: the clerk who is also the Responsible Financial Officer. Its insurance policy with Zurich Municipal provides employers' liability cover.

3. **Public liability**

The Parish Council has public liability cover to £10 million under its policy with Zurich Municipal. The selection of insurer is reviewed annually based on comparable and sufficient cover.

4. **Fidelity guarantee**

The Parish Council has fidelity guarantee cover to £250,000, with an excess £100 of each and every loss.

5. **Contracts and tendering**

The Parish Council has financial regulations in place for contracts and would seek 3 quotes which is a mandatory default position. (See Standing Orders and Financial Regulations.)

6. **Banking arrangements**

There are 4 signatories on the banking mandate (3 Councillors and the Clerk). Two councillor signatures are required by the bank and in law. A cheque book is historically available with only one cheque issued in last four years. Should a cheque be required then this would be signed at a meeting of the Parish Council. The Clerk has access to online and telephone banking and is the only person registered who may – following appropriate authorisation procedures – upload invoices for payment via BACS transfer to Parish Council creditors.

The Parish Council uses the BACS system to make payments. The measures in place to minimise risks in this process are a password to log on to the banking system followed by a fob generated pass code with the fob itself being password protected. The banking system allows 3 attempts after which the log on is disabled.

The following measures are in place to minimise risks in this process with circulation of a) Lloyd's bank print-out to-date, b) Income and Expenditure annual spreadsheet v budgets set, c) a running bank account logging all income and expenditure since the formation of the council – all are sent monthly to three councillors together with copies of invoices (any receipts) due for settlement. Verification and approval by each councillor are made and items for payment included in each month's agenda. Following the meeting – at which the month's bank reconciliation is signed together with the relevant invoice slips being completed by 2xcouncillors – the payments are logged onto the Lloyd's system with a copy emailed to 2xcouncillors requesting their authorisation.

7. **Bank reconciliation**

The Parish Council receives monthly running balance / income and expenditure cash book spreadsheets which includes the bank balance. There are regular (usually monthly) checks of bank statements made to reconcile with balances reported.

8. **Cash book records**

Internal Audit (2023-24) commented that the current Excel cashbook spreadsheet employed is a comprehensive one.

6. **Internal audit**

The Parish Council has appointed an independent internal auditor. An audit is carried out following each financial year end and prior to the council's receipt of the AGAR documents requiring signature.

7. **Internal control**

The Parish Council has established a system of Internal Control and set criteria for the appointed councillors to work to. Two councillors are appointed at the annual meeting to undertake the internal control checks throughout the year as agreed (see Financial Regulations).

8. **PAYE and Workplace Pensions Compliance**

The council receives evidence of PAYE quarterly payments to HMRC via print outs of the P32 forms and compliance with its duties in respect of automatic enrolment and workplace pensions (i.e. declaration of compliance) with the current employee not being pension-eligible.

Supporting documents: 1) Internal Control Checklist and 2) Risk Assessment and Risk Management Policy

Financial Risk Assessment Policy (above) adopted at a meeting of Pannal and Burn Bridge Parish Council held on 3<sup>rd</sup> October 2024

Chairman ..... Responsible Financial Officer .....

**PANNAL AND BURN BRIDGE PARISH COUNCIL – RISK ASSESSMENT/MANAGEMENT DOCUMENT 2024/25**

- Risk assessment is a systematic general examination of the activities of the Parish Council to enable potential risks to be identified.
- The Parish Council, based on the recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks identified.
- This document has been produced to enable Pannal and Burn Bridge Parish Council to assess the risks inherent to its activities and satisfy itself that it has taken all reasonable steps to minimise them.

**This Risk Assessment (and Management) Strategy will be reviewed annually with any appropriate amendments made following annual consideration of the Internal Control Checklist by two nominated councillors**

Risk Area	Risk Identified	Level of Risk (H/M/L)	Management of Risk	Action Required	Review Date
<b>Financial</b>					
Property owned by the Parish Council	Loss or damage	L	An up-to-date Register of Assets maintained. The council-owned adult gym equipment located on NYC land is monitored weekly by a named cllr with annual inspections made by an external provider for the purpose of validating safety and condition with report issued.	Weekly checks (plus annual inspection) made of gym equipment with twice yearly checks made of benches and noticeboard with report made to Council. IA checks Register annually.	
Parish Council finances	Theft or misappropriation of finances	L	Compliance with council’s Financial Regulations and Standing Orders. Four authorised bank signatories. The Council does not run a petty cash system. Council has Fidelity Insurance. Password log-on to banking system with a fob generated password and fob itself password protected.	Monthly internal reconciliation of bank account with approval required by 3xcllrs of Inc&Exp cashbook and running bank balance together with checking and approval of all invoices v bank statement. Following clerk’s uploading monthly BACS payments onto the bank, 2xcllrs required to approve authorization. All invoices approved and initialled.	

Annual Precept	Ensuring adequacy within sound budgeting arrangement  Precept not submitted/not paid	L  L	Council reviews its budget updates on a monthly basis. Monitoring reports are submitted to PC meetings with draft new year budget considered at end of fin.year for approval at start of new year  Diary reminder to ensure Precept deadline is not missed and that Precept is received 2xyear	IA review with budget published on PC website  Precept demand submission discussed at Oct/Nov PC meetings with Precept receipt informed to council.	
Proper financial records	In accordance with statutory requirements And council Fin.Reggs.  VAT claims not made	L  L	Monthly production of approved cashbook and finance sheets with reconciliation made with bank balance  Finance sheets show clear separation of VAT element from gross costs	Monthly cllr review and annually by IA  Claims submitted annually at year end. Diary reminder system in situ to ensure VAT claim made / submitted / received	
Financial solvency	Inadequate or mismanaged budgets	L	Provision of regular finance sheets showing expenditure against budget headings. Budget monitoring undertaken as a whole council exercise at least 1/year	3xcllrs receive monthly spreadsheets illustrating expenditure v budget status with reconciliation v bank account.	
Pension provision	Pension obligations not undertaken (re 2016 legislation). Fines can be levied if appropriate pension schemes are not set up within certain time limits	L	Not currently applicable for single clerk employee	Reconsider / address at any employee change	
Insurance	Level incorrect	L	Annual review of insurance cover made to ensure relevant liabilities are insured and against the Asset Register which is checked by the IA. Procurement exercise undertaken annually with alternative suppliers.	Seek like-for-like quotations from insurance providers before start of new fin. Yr and report to cllrs for comparative purposes.	
<b>Clerk</b>					
Parish Council as an employer	Identifying measures to protect the council as an employer	L	Clerk is employed under the terms of a version of the Model Contract agreed by NALC and SLCC (these organisations will offer assistance in case	Staffing Committee established 2024 with appropriate ToR and with the council and employee supported by the Disciplinary	

			of problems). It includes all the written particulars required by the Employment Rights Act 1996.	Policy, Grievance Policy and Sickness and Absence Policy.	
Salary	Payment incorrect or not made	L	Salary rates are on a standard scale and considered for increase if there is a national agreement. Payments are established monthly by RFO and via the Gov. Basic PAYE Tools online system	Monthly salary payments are approved by 3xcllrs along with other invoices to be paid with the bank instruction that payment is made on the last Friday of each month.	
HMRC	PAYE / NI payments not made to HMRC	L	Basic PAYE Tools provides clarity as to quarterly determination of payments.	Diarised system with approval made by the council for quarterly payments made on 22 <sup>nd</sup> of the month.	
Clerk absence	Business continuity of the council	M	Short term absence covered by cllr taking meeting minutes and undertaking essential duties. Longer term absence addressed by Sickness and Absence policy procedures.	To consider addressing a Business Continuity Plan	
<b>General</b>					
Minutes	Mismanagement	L	Minutes are dated and sequentially numbered. Minutes are approved by full council following the previous meeting with each page initialled and the last page certified as correct. Minutes stored 1) electronically and 2) hard copies in a file with 3) 2016-March 2024 archived at NYC	Draft minutes of all meetings are posted on the website and – for a period of time – posted in the 2xnoticeboards	
	Destroyed or lost	L	Minutes also saved in Dropbox / securely at the clerk's home with copies retained by the Chair / "filed" since 2016 on the council website		
Documents	Security	L	Hard copies of documents are kept in a secure place (clerk's home) with, where possible, electronic copies retained on council computer and backed up by Dropbox cloud storage system		
Members' Interests	Ensuring annual completion	M	Members are asked annually (at the May meeting) to complete / update a Register of Interest form. Any incomplete Register is c/f to the next meeting where it is presented to the cllr/s for completion.	Minutes of all meetings note any interest declarations / dispensation applications made.	

			Each council / committee meeting agenda includes item re “Declaration of Interest” with the Chairman asking all members to declare an interest if appropriate. This also applies to any applications for dispensation.		
Unlawful actions	Unlawful actions	L	Clerk advises council regarding appropriate legislation ensuring council adheres to (NALC) Standing Orders and Financial Regulations. Clerk is encouraged to attend relevant training to ensure knowledge is correct.	Ensure SOs and Financial Regulations are regularly reviewed and updated.	
Meeting room	Unavailability	L	Setting of annual time-table of meetings enables input by booking staff of PVH room. Clerk has – since Covid restrictions in place – delegated authority to make any necessary council decisions. Council subscribes to Zoom facility enabling remote meetings to be held if necessary.	Clerk pre-checks monthly booking of room. A quorate meeting could be assembled at an alternative venue.	
Meeting attendance	Disqualification through non-attendance	L	Clerk notes apologies / authorization and reason for absence. Attendance of members noted. Clerk would advise council if any councillor is approaching limit for possible disqualification.		
<b>Communications</b>					
Council communication to the public	Insufficient written communication  Insufficient written information regarding council finances	L	Minutes are posted on website and in noticeboards. Summary of council activity issued in monthly newsletters which are uploaded onto the website. Precis of council business included as necessary on FB and in weekly newspaper. Required policies are posted on the website. Clerk responsive to parishioner emails. Clerk would deal with information requests according to adopted and published Publication Scheme.  Monthly meetings detail invoices to be paid with approved bank reconciliation. Information re audit is published according to statutory guidance and annual accounts are published on the council website.	Regular meetings promote publication of minutes and newsletter.	

Website	Disruption	L	<p>Website has been developed and is hosted by a professional company. In the event of problems, the website would be supported / maintained by the company.</p> <p>Clerk retains copies of all information posted on the website.</p> <p>Council owns the domain name pannalandburnbridge-pc.gov.uk so set up of replacement website is possible.</p>		
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