

Working Risks List

Process should be to review each risk as to whether it is a real risk for Blackthorn. Likelihood of occurrence should drive this. Add any new risks from brainstorm. Once we decide it is a risk we can scale it and determine impact. We then need to decide the appropriate controls.

Start each risk description with: “There is a risk that…….”

Table 1 Areas where there may be scope to use insurance to help manage risk

Risk identification

Insurance cover for risk is the most common approach to certain types of inherent risks.

- ✓ The protection of physical assets owned by the council – buildings, furniture, equipment, etc (loss or damage).R1 L1 G2
- ✓ The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability).R1/2 L1 G1
- ✓ The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third-party (consequential loss).R3 L1 G2

✓ Loss of cash through theft or dishonesty (fidelity guarantee). We do not use cash

✓ Legal liability as a consequence of asset ownership (public liability). R1 L1 G4

Internal controls

A council's internal controls may include the following.

- ✓ An up to date register of assets and investments. No risk as register in place
- ✓ Regular maintenance arrangements for physical assets. No risk
- ✓ Annual review of risk and the adequacy of cover. No risk as formal process in place
- ✓ Ensuring the robustness of insurance providers. No risk as formal process in place

Internal audit assurance

Internal audit testing may include the following.

- ✓ Review of internal controls in place and their documentation. R1 L5 G2
- ✓ Review of management arrangements regarding insurance cover. No risk as regular review
- ✓ Testing of specific internal controls and reporting findings to management N/A Monthly spreadsheet to approve VAT reclaim

Formatted: Underline, Font color: Purple

Formatted: Underline, Font color: Purple

Formatted: Underline, Font color: Purple

Governance and Accountability for Local Councils | Part 2 - The annual return and corporate governance 51

Table 2 Areas where there may be scope to work with others to help manage risk

Risk identification

The limited nature of internal resources in most local councils means that councils wishing to provide services often buy them in from specialist external bodies.

- ✓ Security for vulnerable buildings, amenities or equipment No risk
- ✓ Maintenance for vulnerable buildings, amenities or equipment. No risk

- ✓ The provision of services being carried out under agency/partnership agreements with principal authorities. Repeat
- ✓ Banking arrangements, including borrowing or lending.
- ✓ Ad hoc provision of amenities/ facilities for events to local community groups. Village hall not BPC
- ✓ Markets management. None
- ✓ Vehicle or equipment lease or hire. We have none
- ✓ Trading units (leisure centres, playing fields, burial grounds, etc). No trading units. No risk
- ✓ Professional services (planning, architects, accountancy, design, etc). None

Internal controls

A council's internal controls may include the following.

- ✓ Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment. No risk procedure in place
- ✓ Regular reporting on performance by suppliers/providers/contractors. No risk
- ✓ Annual review of contracts. Do procedure R1/2 L3 G2
- ✓ Clear statements of management responsibility for each service. N/A
- ✓ Regular scrutiny of performance against targets. No targets
- ✓ Adoption of and adherence to codes of practice for procurement and investment. N/A
- ✓ Arrangements to detect and deter fraud and/or corruption. No risk due to process
- ✓ Regular bank reconciliation, independently reviewed. No risk due to process

52 Governance and Accountability for Local Councils | Part 2 - The annual return and corporate governance

Internal audit assurance. Testing may include the following.

- ✓ Review of internal controls in place and their documentation. N/A
- ✓ Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied. No risk
- ✓ Review and testing of arrangements to prevent and detect fraud and corruption. Practices in place so no risk
- ✓ Review of adequacy of insurance cover provided by suppliers. Process in place
- ✓ Testing of specific internal controls and reporting findings to management. Independent audit carried out

Table 3 Areas where there may be a need to self-manage risk

Risk identification

There are a number of activities that create business risks but do not fall easily into either of the above categories for a number of reasons, principally because they are either difficult to quantify or considered inefficient to have provided externally or just uninsurable.

- ✓ Keeping proper financial records in accordance with statutory requirements. Employ RFO and audit. No risk
- ✓ Ensuring all business activities are within legal powers applicable to local councils.

Service provided

- ✓ Complying with restrictions on borrowing. N/A
- ✓ Ensuring that all requirements are met under employment law and regulations. R1 L1 G2
- ✓ Ensuring all requirements are met under HM Revenue and Customs Notices and regulations (Income Tax, National Insurance and VAT). No risk

✓ Ensuring the adequacy of the annual precept within sound budgeting arrangements.

Good process and no risk

✓ Monitoring of performance against agreed standards under partnership agreements. N/A

Governance and Accountability for Local Councils | Part 2 - The annual return and corporate governance **53**

Internal controls

✓ Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137. No risk

✓ Proper, timely and accurate reporting of council business in the minutes. No risk

✓ Responding to electors wishing to exercise their rights of inspection. Process in place via clerk

✓ Meeting the laid down timetables when responding to consultation invitation. N/A

✓ Meeting the requirements for Quality parish status or other accreditation. N/A

✓ Proper document control. No procedure but key documents recorded and controlled

✓ Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date. Return made on appointment and conflicts declared

A council's internal controls may include the following.

✓ Regular scrutiny of financial records and proper arrangements for the approval of expenditure. No risk

✓ Recording in the minutes the precise powers under which expenditure is being approved.

No risk

✓ Regular returns to HM Revenue and Customs; contracts of employment for all staff, annually reviewed by the Council, systems of updating records for any changes in relevant legislation. No returns and no risk

✓ Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary. No risk only vat reclaims

✓ Regular budget monitoring statements. Yes No risk

✓ Developing systems of performance measurement. Document prepared

N/A(perhaps we should have some for Clerk) lets discuss at March meeting

✓ Procedures for dealing with and monitoring grants or loans made or received. No risk due to process

✓ Minutes properly numbered and paginated with a master copy kept in safekeeping. Yes

Formatted: Font color: Purple

Formatted: Underline, Font color: Purple

Formatted: Underline

54 Governance and Accountability for Local Councils | Part 2 - The annual return and corporate governance

Internal controls

✓ Documented procedures to deal with enquiries from the public. R1/2 L1 G2

✓ Documented procedures to deal with responses to consultation requests. N/A(We are failing to respond to some) — Clerk to propose how to monitor Trial online system and respond when under specialised remits

✓ Monitoring arrangements by the council regarding Quality Council status. N/A

✓ Documented procedures for document receipt, circulation, response, handling and filing.

Excellent proforma. No risk

✓ Procedures in place for recording and monitoring Members' interests and Gifts and Hospitality received. Clerk keeps statements

✓ Adoption of codes of conduct for members and employees. No risk

Formatted: Underline, Font color: Purple

Formatted: Underline, Font color: Purple

Internal Audit Assurance

Internal audit testing may include the following.

- ✓ Review of internal controls in place and their documentation. Repeat
- ✓ Review of minutes to ensure legal powers in place, recorded and correctly applied.

Repeat

- ✓ Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash transactions. Annual audit
- ✓ Review and testing of arrangements to prevent and detect fraud and corruption. Annual audit
- ✓ Testing of disclosures. No risk
- ✓ Testing of specific internal controls and reporting findings to management. Annual audit

Governance and Accountability for Local Councils

Other risks as specific items:

Pond - there is a risk that individuals could be at risk from the pond but is it ours or the access.
Potential flood risk.

Play area – there is a risk that individuals could be injured. Controlled through maintenance & insurance

Roads condition – not us

Grass maintenance – Contracted and insured service New risk that grant towards existing contract may be cut. Mitigation to push back against OCC that it is unreasonable to cut part way through a let contract.

Road closures - Not us

Allotments – there is a risk that allotments may be used inappropriately causing hazard/injury. Control and limits on livestock. Failures to get contracts signed and failure to collect monies owed.

Formatted: Underline, Font color: Purple

Ditches – not ours

Brook – not ours

Information Technology including data – there is a risk that IT hardware may fail resulting in the loss of Parish Council data and records. This risk has been mitigated with the purchase of a backup hard drive plus backup freeware. The Clerk has been tasked to ensure that regular full backups are made of all important Parish Council data. We should check this is being done.

Formatted: Underline, Font color: Purple

In view of increased security risks with hacking and malware we have asked the clerk to procure an antivirus protection such as Sophos or Malwarebytes.

Working Risks Sheet – Adopted 4.3.2021 – M2/2021-21.29-9.6-c.

VAT – Reclaim – Section 33 VAT Act 1994 only allows local authorities to recover VAT on their non business costs within 3 years: Risk of reclaiming outside of period. Mitigated through monthly review of VAT spreadsheet reclaim

Formatted: Underline, Font color: Purple