

Dalton Parish Council - Risk Assessment

Approved by Council : April 2019 Review Date : April / May 2020

Category	Potential Risk	Responsibility	Measures taken	Action
FINANCIAL RISK				
Banking arrangements	Poor controls on banking arrangements open possibility of fraud or misappropriation of funds	HSBC / Council / Clerk's	Changes to mandate, banking process and procedures approved by Council	
Borrowing arrangements	Potential for fraud or mis-appropriation of funds	Council	All borrowing minuted and reviewed within budget statements	
Budget	Inadequate overall budget causes spending difficulties / financial loss. Over estimating budget, causing increase to reserve value	Council / Clerk's	Reviewed regularly by the Clerk's, finance and employment committee and quarterly throughout year by full council	
Business Planning	Potential to have only a short-term view of planning. Lack of clarification of allocation of reserves.	Council	Business Plan approved by Council, reviewed by Clerk's, finance and staffing committee and a minimum of annually by full council	
Council Financial Regulations	Regulations do not reflect any changes in year and Council acts unlawfully beyond its powers.	Council	Annual review of adequacy	
Expenditure approval	Poor controls on spending arrangements open possibility of fraud or misappropriation of funds	Clerk's agree spending allocations in financial regulations / Full Council main account	List approved at monthly meeting of Council. All cheques signed by three nominated (out of six) councillors. Budget limits and scheme of delegation set within Financial regulations for Clerk's spend/	
Financial records	Poor procedures for budget review causes overspend and/or possibility of fraud or misappropriation of funds	The Clerk's	Transparent system in place. RBS financial software used to manage records.	
Fraud / Misappropriation of funds	Financial loss.	Finance and employment committee	One internal audit per annum. One external audit per annum. The Council meet monthly and approve all expenditure. Quarterly check of bank reconciliation and balances by finance and employment committee, then approved by full council. Appointment of suitably qualified clerk's. Annual review of internal controls. Annual review of the effectiveness of internal audit.	
Inland Revenue payments	Payments not made may lead to fines or prosecution	The Clerk's	External Payroll contractor in use. Payments made monthly and reviewed by Council.	
Internal audit testing	Potential for fraud or mis-appropriation of funds	Phil Parkin Auditor	Testing is based on internal audit principles within law.	
Internal controls	Potential for fraud or mis-appropriation of funds	Phil Parkin Auditor	Internal Audit is carried out once a year by a suitably qualified auditor.	
Precept	Inadequate precept causes overspent budget / financial loss.	The Clerk's / Council	Precept based on realistic budget. Discussed, approved and signed-off by Council In January. Regular quarterly budget monitoring statements.	
VAT payments	Payments not made may lead to fines or prosecution	The Clerk's	VAT returns performed quarterly.	

INSURANCE

Insurance (robustness of provider)	Financial Loss.	AXA	Large insurance company / provide insurance cover for local councils.
Insurance Cover (consequential)	Financial loss.	AXA	Reviewed annually and cross-checked against income/expenditure account to determine level of cover required.
Insurance Cover (Employment & public liability)	Financial loss.	AXA	Currently £10m
Insurance Cover (fidelity)	Financial loss.	AXA	Reviewed annually with due regard to maximum exposure.
Insurance Cover (furniture/equipment)	Financial loss.	AXA	This figure is reviewed annually and cross-checked against the inventory register.
Insurance Cover (physical assets)	Financial loss.	AXA	This cover is index linked. The property (rebuilding) cost is based on insurance revaluations.
Insurance (review of risk)	Financial loss.	Internal audit	Internal Audit is carried out once a year and the Clerk and Auditor review the general risk strategy

GENERAL

Asset (maintenance)	Potential for loss, damage or mis-appropriation of assets by unauthorised persons.	Council.	Inventory register updated annually, equipment inspected, PAT tested where required.
Contracts (actual)	Unlawful contracts entered into leading to financial loss and/or litigation.	Approved by Council	Reviewed as per the contractually stated basis.
Contracts of Employment	Employment Tribunals leading to potential for financial loss, and legal action.	Council.	New contracts issued in 2019 to reflect changes in legislation.
Employment Law	Employment Tribunals leading to potential for financial loss, and legal action.	Finance and employment committee / HR Consultant	Regular review of effects of changes to employment law via YLCA White Rose Bulletins. Employment of specialist HR consultant to provide advice and guidance.
Loss of computer records	Loss of data.	The Clerk's	Backup of all computer records onto three rotating external drives. Two drive held at separate sites. Key documents printed and filed in hard copy.
Loss of Parish Clerk	Council unable to function.	Council.	Clerk's role split into two positions which allows cover for one another and reduces risk to Council / Clerk to Maltby to cover in emergency / YLCA locum cover available.
Maintenance of vulnerable equipment	Injury leading to financial loss and/or litigation.	Caretakers / Litter pickers	Checked daily by Caretakers and litter pickers.
Performance measurement	Employment Tribunals leading to potential for financial loss, and legal action.	Council.	Annual staff appraisals.
Proper reporting in minutes. Minutes signed, paginated and numbered.	Council acts unlawfully if proper minutes not kept.	The officer of the meeting	Minutes approved at each meeting. Committee minutes approved at the following committee meeting. Chair of Council or committee to sign each page of the minutes.
Register of members interests	Council acts unlawfully if resolutions passed without declarations of interest.	The Clerk	New Councillors asked to sign forms. All Councillors asked to review records every year.