



## **Risk Management Scheme**

**Reviewed Quarterly by the Finance and Risk Committee – This document was reviewed as accurate in March 2023**

**All identified ongoing risks: Pages 1-8**

**High Risks to be resolved in 22-23: Page 9**

## Introduction

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any, and all potential inherent risks.

The Parish Council, generally and members individually are responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, at least once each year members must:

Take steps to identify and update any record of key risks facing the Council.

Evaluate the potential consequences to the Council if an event identified as a risk takes place.

Decide upon appropriate measures to avoid, reduce or control the risk or its consequences.

Record any conclusions or decisions reached.

The risk is evaluated by evaluating the probability and impact of the risk.+

		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Consequences	5 Catastrophic	5 Moderate	10 High	15 Extreme	20 Extreme	25 Extreme
	4 Major	4 Moderate	8 High	12 High	16 Extreme	20 Extreme
	3 Moderate	3 Low	6 Moderate	9 High	12 High	15 Extreme
	2 Minor	2 Low	2 Moderate	6 Moderate	8 High	10 High
	1 Negligible	1 Low	2 Low	3 Low	4 Moderate	5 Moderate

This document has been produced to enable Farnsfield Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

PART 1 – FINANCIAL MANAGEMENT

Subject	Risk(s) identified	Risk Score	Management/control of Risk	Review/Assess/Revis e
Precept and budgeting	<ul style="list-style-type: none"> <li>- Adequacy of precept for the Council to carry out its statutory duties</li>   <li>- Requirements not submitted to Newark and Sherwood District Council</li>   <li>- Amount not received by Parish Council</li>   <li>- Lack of forward planning and budgetary control</li> </ul>	<p>2M</p> <p>1L</p> <p>1L</p> <p>2M</p>	<p>When setting the budget for the following financial year the RFO maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings. A report is presented to the F&amp;R Committee which is scrutinised. When agreed by the F&amp;R Committee the budget will be presented to FC for approval. From this the precept amount is calculated and the amount to be requested is agreed. The figure is submitted by the RFO in writing and the Council is informed when the monies are received.</p> <p>At each F&amp;R Committee meeting (at least quarterly), the Committee receives reports from the accounts system of the Councils spend and the budget position. This is scrutinised by the Committee and the Committee will make recommendation to council to move money between budget heading or reserves if necessary.</p> <p>The Parish Council has Financial Regulations which sets out this procedure.</p>	Existing procedures are adequate.
Reserves (General & Earmarked)	Inadequate to cover possible expenditure	2M	Considered at budget setting and all Finance Committee meetings. Opinion of RFO also considered	Existing procedures are adequate
Financial Records	<ul style="list-style-type: none"> <li>- Inadequate records</li> <li>- Safe storage</li> <li>- Financial irregularities</li> <li>- Budget status</li> </ul>	<p>1L</p> <p>1L</p> <p>6M</p> <p>1L</p>	<p>All reports/documents are securely stored in a locked office and adequately backed up online via a storage cloud. The full Accounts system is backed up monthly (promoted by Rialtas rather than automatically) and all data stored in SharePoint and one drive is backup up automatically and daily.</p> <p>Financial summaries and information including bills for payment (along with their invoices) are presented to the Council for approval monthly. The accounts are subject to an internal audit quarterly as well as both an internal and external audit at the end of each financial year.</p> <p>At each F&amp;R Committee meeting (at least quarterly), the Committee receives reports from the accounts system of the Councils spend and the budget position. This is scrutinised by</p>	Existing procedures adequate. Continue to review Financial Regulations annually.

			the Committee and the Committee will make recommendation to council if necessary.	
Bank and banking	<ul style="list-style-type: none"> <li>- Inadequate checks</li> <li>- Bank mistakes</li> <li>- Banking arrangements</li> <li>- Theft of money</li> </ul>	<p>6M</p> <p>1L</p> <p>1L</p> <p>3L</p>	<p>The Council has Financial Regulations which set out banking requirements. Monthly reconciliations are completed, and at least dual authorisation is required on all payments through the bank. The Council's banking arrangements are reviewed on an annual basis</p> <p>The Council has in place stringent preventative measures for theft however if theft occurred the Council is insured for employee theft</p>	<p>Existing procedures adequate.</p> <p>Continue to review annually.</p>
Reporting and auditing	<ul style="list-style-type: none"> <li>- Information communication</li> <li>- Appropriateness of internal audit</li> <li>- Competence of internal auditor</li> </ul>	<p>1L</p> <p>1L</p> <p>1L</p>	<p>Financial summary information is a regular Full Council meeting agenda item and discussed/reviewed and approved at each meeting. The appointment of a Councillor to carry out a quarterly audit on the accounting is resolved at the F&amp;R Committee meeting – this should not be someone who has access to the banking.</p> <p>An internal auditor (external to the Council) is appointed and is reviewed every 3 years.</p> <p>The Council's external auditor is currently appointed by the Smaller Authorities Audit Appointments (SAA Ltd.</p>	<p>Existing procedures adequate.</p> <p>New Internal auditor appointed for year 2022</p>
Grants received	<ul style="list-style-type: none"> <li>- Receipt of a grant</li> <li>- Correct use of Grant</li> <li>- Spending grants on time</li> </ul>	<p>2L</p> <p>8H</p> <p>8H</p>	<p>Grants should be applied for by approval of a Committee or Full Council. The application should be signed by the Clerk at least one other Councillor.</p> <p>Grants should be applied for a purpose and used for that purpose only. The Clerk shall read all specifics of the grant to ensure proper use.</p> <p>Farnsfield Parish Council receive the lengthsman grant annually on approval of the Full Council.</p> <p>The Clerk will remind the Council of the grants spend date to prevent loss of the grant</p>	<p>Existing procedures adequate</p>

Charges-rents receivable	- Payment of rents	1L	The Parish Council collects a peppercorn rent from the Allotment Association annually and rental income from the Library quarterly.	Existing procedures adequate
Election Costs	- Not being able to cover election costs	5M	The Council has money within reserves to pay for election costs	Existing procedures adequate
Best value accountability	- Work awarded incorrectly - Overspend on services	6M 6M	The Parish Council has Financial Regulations which sets out these requirements. Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work to be undertaken. For major work competitive tenders would be sought.	Existing procedures adequate. Review limits annually when reviewing Financial Regulations.
Salaries and associated costs/ reporting	- Salary paid incorrectly - PAYE/reporting to HMRC	6M 1L	All staff salaries are approved by the Council annually. Monthly salary payments are monitored by the banking signatories and at the quarterly audit  Sage payroll and complies with HMRC regulations. Salaries & wages are made via bank transfer to all staff members.	Existing procedures are adequate.
Employees	- Fraud by staff - Health and safety - Theft by staff - Loss of services of employees	6M 9H 2L 9H	The Council has sufficient statutory fidelity guarantee insurance with regards to fraud.  All employees to be provided adequate direction and safety equipment needed to undertake their roles. Procedures in place to guard against theft when staff members are required to handle all monies – Employees of Farnsfield Parish Council rarely handle cash.  All staff vacancies are reviewed and advertised promptly.	Existing procedures -- ----adequate.  Monitor Health and Safety requirements and insurance annually.  Consider what to do in short term staff absence or holiday
VAT	- Reclaiming/charging - Exemption doesn't apply	6M 6M	The Council has Financial Regulations in place which set out the requirements. The RFO submits a return quarterly to HMRC.  VAT exception is under monitoring due to high VAT reclaims in the past financial years.	Existing procedures adequate  Risk is being managed and monitored

Loss of Money from bank	- Risk to Parish Precept/public funds	8H	Division of reserves between 3 banks spreads the risk to minimise financial loss. Financial Services Compensation Scheme covers up to £85,000 per authorised bank or building society  Currently over the £85,000 in one bank account	Funding is to be spent this year. RFO to move money between bank accounts once this spend is completed
Legal Powers	- Illegal activity or payments	2M	All activity and payments within the powers of the Parish Council to be resolved at Council or Committee Meeting.  Clerk has some delegation of powers agreed by Council	Existing procedures adequate
Minutes, agendas, notices & statutory documents	- Accuracy and legality - Business conduct	1L	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to legal requirements. Agendas are displayed according to legal requirements. Minutes are approved and signed at the next meeting. Business conducted at Council meetings is managed by the Chairman	Existing procedures adequate  Members adhere to Code of Conduct and Standing Orders which are reviewed annually.
Members interests	- Conflicts of interest - Register of members interests	1L 2M	Declarations of interest by members made at all Council meetings.  Register of member's interests' forms reviewed regularly.	Existing procedures adequate.  Member's responsibility to update register.
Insurance	- Adequacy - Cost - Compliance	1L 1L 2M	An annual review is undertaken of all insurance arrangements. Employers, Employee and Public Liabilities is a necessity and within policies. Assets, premises, revenue, legal liabilities are also covered.	Existing procedure adequate.  Insurance reviewed annually.
Data protection	- Policy provision	2M	The Parish Council is registered with the ICO  Data protection and data breach policies are in place  Data protection and the way that data is stored was had a full review in March 2022	A Direct Debit is set up to ensure annual renewal of registration

PART 2 - PHYSICAL EQUIPMENT, ASSETS, LAND AND BUILDINGS

Subject	Risk(s) identified	Risk Score	Management/control of Risk	Review/Assess/Revise
Assets	<ul style="list-style-type: none"> <li>- Loss or damage</li> <li>- Risk/damage to third party property</li> </ul>	<p>1L</p> <p>1L</p>	<p>An annual review of assets is undertaken for insurance provision and asset register and inventory are in place.</p> <p>Insurance provisions are in place.</p>	<p>Asset register and inventory reviewed July 2021</p> <p>Clerk to add to Asset register as and when required</p>
Buildings	<ul style="list-style-type: none"> <li>- Loss of, or damage that may be incurred</li> </ul>	<p>1L</p>	<p>Buildings are identified on the asset register. Premises are secure, insured and CCTV is in place.</p>	<p>Existing procedures adequate</p>
Land	<ul style="list-style-type: none"> <li>- Un-authorized access</li> <li>- Damage that may be incurred due to UA</li> <li>- Loosing access to Council owned land</li> <li>- Breach of deed on land gifted to the Council</li> </ul>	<p>2L</p> <p>6M</p> <p>9H</p> <p>8H</p>	<p>All land is identified on the asset register, is secured, and regularly inspected and adequately insured. Hadleigh Park now has a vehicle proof boundary installed</p> <p>Working with NCC to maintain access to Council owned land. Alternative access has been designed if access is lost or restricted</p> <p>Risk of unknown terms on deeds that the Council does not have copies of and therefore risking non-compliance and breach of deed</p>	<p>Existing procedures adequate</p> <p>Access for vehicles to the Millennium Woods, the Acres and Reynolds field is currently being contested – the Council is seeking professional advice</p> <p>The CML working party are searching through archives and will alert the Council to any information found surrounding deeds or ownership</p>
Maintenance	<ul style="list-style-type: none"> <li>- Poor performance of assets or amenities</li> </ul>	<p>6M</p>	<p>All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for any repair is actioned and authorised in accordance with the correct procedures of the Parish Council.</p>	<p>Existing procedures adequate</p>
Parks & play areas	<ul style="list-style-type: none"> <li>- Loss of use of play equipment</li> <li>- Risk of injury</li> </ul>	<p>9H</p> <p>9H</p>	<p>Safety checks are completed on a regular basis and adequate records maintained. Unsafe equipment is taken out of action until repairs are carried out. Adequate insurance provisions are in place.</p>	<p>Existing procedures adequate</p>

Village furniture (Noticeboards, benches, village signs et	- Risk of damage	6M	No formal inspection procedures are in place, but any reports of damage or faults are reported to the Parish Council and dealt with in accordance with correct procedures.	Existing procedures adequate
Community Defibrillators	Risk of Damage Lack of Maintenance	1L 2M	The Parish Council has 2 community defibrillators. Inspection procedures are in place and carried out on a regular basis by the Village Centre Caretaker.	Existing procedures adequate



High Risk Table to be resolved in 22-23

High risks to be resolved or monitored in 21-22	Impact of Risk	Management/Control of Risk	Further Action	To be reviewed or completed by	Risk managed by:
Several land or building assets are not registered with the land registry	That ownership could not be proved impacting grant funding and planning permissions	Instructed a solicitor to assist	Ongoing communication with solicitors.	Ongoing	All assets have been applied for through the land registry
Access for vehicles to the Millennium Woods, the Acres and Reynolds field via Cotton Mill Lane is currently being contested	Loosing access to Council owned land, losing money on the Acres/Pavilion hire and losing the provision of Allotments	The Council is seeking professional advice	To try to reduce the traffic using the Lane by requesting the users of Council land use alternative access points. To create an alternative access to the land.	Ongoing	The Council is seeking professional advice
Breach of deed on land gifted to the Council	Loosing land that provides recreation to the Village, losing money on the Acres/Pavilion hire and losing the provision of Allotments	Risk of unknown terms on deeds that the Council does not have copies of and therefore there is the risk of no-compliance and breach of deed.	The CML working party are searching through archives and will alert the Council to any information found surrounding deeds or ownership	Ongoing	The Council