

## West Bagborough Parish Council. Operating Risk Assessment

West Bagborough Parish Council has identified and reviewed significant risks to its ability to function lawfully and adequately manage the control of public funds within its remit and in the interest of the Parish. It has concluded that all such risks are adequately controlled by the measures noted in this document. This document will be reviewed annually.

Subject	Risk	Control Measures
Reserves and Precept	Inadequacy of existing funds and precept levy, preventing the Council from carrying out its statutory duties.	<p>Expenditure is monitored against the approved budget for the year; any unbudgeted commitments are approved after an assessment of their impact on existing reserves.</p> <p>To determine the precept amount required for the next year, the Council receives previous year receipts and payments data, a forecast for the current year and a draft budget for the next year that reflects ongoing costs and any proposed changes of expenditure including that for any ad hoc projects.</p> <p>With this information, the Council considers the required monies for ongoing costs and any special projects for the following year and allocates specific amounts to budget headings. Consideration is also given to any other income sources and the level of the Council's existing reserves. The level of precept needed is then agreed and resolved to be the precept amount to be requested from SW&amp;T DC.</p> <p>The figure is submitted to SW&amp;T DC by the Clerk in writing before the specified deadline.</p> <p>The Council's policy is to maintain reserves, one of which is a General Reserve not less than £5,000.</p>
Grants	Proper transparency and accounting of grants	Grants made and received are separately accounted for with clear ring fencing where necessary.

Financial Records	Inadequate records. Records that provide insufficient transparency and information to enable users to form an adequate opinion of the financial position of the Council.	<p>The Council has Financial Regulations that set out its requirements. The Council has adopted the National Association of Local Councils (NALC) model Standing Orders and Financial Regulations that specify authorisation and approval thresholds for expenditure within budget. Full Council must approve expenditure outside the budget.</p> <p>The Council has adopted a Receipts and Payments accounting Record.</p> <p>Full Council receives half yearly accounts (including bank reconciliation) and the Full Council considers and approves all payments at each Council meeting. The Full Council annually considers the adequacy of the Council's financial systems and controls and considers reports from its Internal and External Auditors. All recommendations are assessed and agreed recommendations are monitored to ensure they are implemented.</p>
Fraud - General	Inadequate checks/balances to prevent misappropriation of public funds.	<p>The Council has Financial Regulations that set out its banking requirements. Key controls are that all banking activity is completed electronically. The Clerk can request payments but cannot authorise payments.</p> <p>2 Councillors are required to electronically authorise each payment before it is made. Records are available to show which Councillors authorised which payments.</p> <p>Each Councillor and the Clerk have discreet individual log in criteria which is known only by them. Similar controls apply to changes to authorised personnel.</p>
Fraud - payroll	Incorrect payments to employees. Penalty from HMRC for late or incorrect reporting (RTI).	<p>Clerk maintains payroll records using RTI for PAYE/NI. Back up records are kept of all relevant HMRC data.</p> <p>Clerk's salary is based on SLCC scales and reviewed/approved annually in budget process</p> <p>Half yearly salary payments, together with deductions for HMRC, are reviewed and approved by Full Council.</p> <p>HMRC are reviewed in the internal audit. The current Clerk is exempt from both NI and pension payments. (Over pension age)</p>

Best value accountability	Work awarded inappropriately. Overspend on services.	Normal Parish Council practice would be to seek, if possible, at least 2 quotes for any orders/works. If problems are encountered with a contract the Clerk would investigate the situation and report to the Council.
VAT	Failure to reclaim any VAT paid leading to loss of income	VAT is reclaimed in arrears at the end of each financial year. Amounts are usually insignificant and do not warrant any earlier reclaim. Reclaim value is checked and confirmed during the internal audit. Any discrepancy would be reclaimed immediately.
Legal powers	Ultra vires activities or payments	All activity and payments are assessed to confirm they are within the powers of the Parish Council, they are resolved at Council meetings and reviewed by Internal Auditor.  Where necessary advice sought from SALC or another external independent source.
Inadequate insurance cover	Loss of capital or income to parishioners due to costs paid to 3 <sup>rd</sup> parties or loss to Council not recovered.	Annual review undertaken by Clerk and reviewed by Council.  A full suite of cover is agreed with a sector specific Broker and includes all common risks required by a Parish Council.
Electronic records	Loss of vital information including failure to meet statutory retention requirements.	Back up copy of computer records onto a separate storage device undertaken monthly and kept in a different location.
Election costs	Risk of an election cost	On most occasions an election is never held as candidates rarely if ever exceed the number of vacancies. When a scheduled election is due the Clerk obtains an estimate of costs from the District Council. If timely an amount is included in the annual budget but if not costs have to be sourced from reserves.
Legal Records	Inadequate application of, or loss of, rights arising from contracts and title to property due to inability to locate legal documents.	The clerk maintains a record of contracts and title at home. Titles will be registered with the Land Registry as part of the F.I.T. trust agreements

Website and information services	Inadequate or outdated information and lack of public engagement.	Website is provided through HugoFox. Website design meets all current standards as identified by HugoFox. The Council domain name is registered in the name of WBPC. The Clerk updates the website at regular intervals with local information and all required statutory information (e.g. minutes, agendas, accounts etc)
Annual Financial returns	Late submission incurring penalties or extra costs	Annual returns are completed for review at the May meeting and forwarded to the external auditor electronically. Council is copied on the e-mail sent to the external auditor. PAYE returns are made using the on-line Basic PAYE Tools provided by HMRC. The Clerk ensures the final annual return is made prior to the 19 <sup>th</sup> April each year. The internal audit checks its submission.
Availability of Clerk	Ineffective admin of the Council due to illness or sudden resignation.	Assistance/advice would be sought from SW&T DC in such circumstances
	Loss of essential records, contacts etc.	All passwords for email, website management, HMRC records and the Council laptop are held in a sealed envelope ensuring easy and immediate transfer to a new Clerk. Back up files are held by the Clerk on a USB memory stick. The Clerk holds some hard copy records at home.
Council minutes	Lack of transparency. No timely and accurate reporting of Council business.	Draft minutes are circulated as soon as possible after each meeting. Cllrs advise the Clerk of any errors or omissions. A draft is posted on the website with the caveat 'for information only and subject to change'. Formal adoption of the minutes is recorded at the following meeting and signed as such by the Chair.
Conflicts and Gifts	Conflict of interest and accusations of bribery/corruption.	Chair seeks any Declarations of Interest at each meeting and enforces any attendance restrictions. Councillors declare in writing any conflicts on election. Copies are sent to SW&T DC. Councillors would not normally be in a position where they are individually gifted anything but if the event arose they are required to report the details to the Clerk. Direction would then be sought from SW&T DC.
Access to Funds	Lack of or outdated authorised persons for the proper access to bank accounts. Inability to perform business.	2 Councillors are required for each approval. With only 7 Councillors it is vital that all Councillors are approved on the bank account to approve payments. The Clerk is approved to manage the account and set up payments for authorisation (but not to authorise them).

Asset Maintenance	Loss of use or injury to public..	<p>The asset register is updated/reviewed annually to ensure that all relevant assets are listed on the insurance schedule.</p> <p>Play park assessed independently each year and any remedial works completed as soon as practicable.</p> <p>Jubilee walk maintained under contract. All required maintenance work on the playpark carried out as soon as practicable.</p> <p>Annual grants are received from SW&amp;T DC for the maintenance of facilities and an emergency fund of £1000 per annum is included in the budget for any unforeseen works.</p>
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