

# HARMSTON PARISH COUNCIL

**Risk Assessment:** 2023/24

**Review:** April 2023

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Date Reviewed	Date to be reviewed again
<p>1. To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	<p>1. Lack of knowledge of regulations and codes.</p>	<p>Ensure that all Councillors have copies of relative Acts, Code of Conduct, and Standing Orders. Highlight essential parts and provide training where possible.</p>	<p>Chair</p>	<p>Ongoing reviews by Chair, Clerk and RFO.</p>	<p>Nov 2023</p>
	<p>2. Absence of standing orders</p>	<p>Ensure that Standing Orders are produced, understood by councilors, and reviewed at least once per year.</p>	<p>Chair</p>		
	<p>3. Actions by the PC outside its powers laid down by Parliament.</p>	<p>As at 1 above, but ensure that powers are highlighted or extracted into effective summary.</p>	<p>Chair</p>		
	<p>4. Lack of commitment to regulations and procedures.</p>	<p>Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councilors.</p>	<p>Chair All councillors</p>		
	<p>5. Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.</p>	<p>Ensure that all councillors are aware of regulations re estimates and full tender procedures. Introduce practice of estimates for all purchases over an agreed figure. Quotes received from more than one supplier for more expensive items</p>	<p>Clerk RFO  All councillors</p>		
	<p>6. Payments made without prior approval and adequate control.</p>	<p>Ensure all payments are approved in Council meetings and recorded in minutes. <b>No cash payments made. All payments recorded separately, with individual reference numbers and invoices.</b></p>	<p>Clerk RFO</p>		
	<p>7. Lack of control of signatories to cheques.</p>	<p>Keep authorised signatories to a minimum consistent with practicalities. <b>Signatories update. Online payments now in use, with appropriate two-person authorization.</b></p>	<p>RFO</p>		

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	<p>8. VAT not properly accounted for, resulting in overclaims and large demands from C&amp;E.</p>	<p>Ensure appropriate publications held and that Clerk has good knowledge of regulations.  <b>VAT document created and updated throughout the year.</b>  <b>Document used each year to claim VAT refund.</b>  <b>Document shared at every meeting to keep PC up to date.</b>  <b>All user information and instructions kept in central location.</b></p>	<p>RFO Chair</p>		
<p>2. To identify and regularly review the Council's priorities.</p>	<p>1. Lack of knowledge of how to set objectives, set priorities, and identify risks to their achievement.</p> <p>2. Lack of commitment by council members</p> <p>3. No risk analysis carried out.</p> <p>4. No steps taken to combat identified risks</p>	<p>All councillors to be made aware of need for objectives and identification of risk.  Attend training sessions if practicable.  <b>Clerk shares training opportunities.</b></p> <p><b>New Code of Conduct adopted by PC.</b>  <b>Code of conduct shared on website for prospective new Councillors. Code of Conduct part of new Councillor pack.</b></p> <p>Add risk assessment to AMPC annually, reviewing particular items, and results against those items.  Add risk assessment to Clerks Annual Overview to ensure its inclusion in meetings.  <b>Risk Assessments are dated, which enables consistent reviews.</b></p> <p>As at 1 above.  Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission</p> <p>As at 2 above.</p>	<p>Clerk Chair</p> <p>Clerk</p> <p>Chair RFO</p> <p>RFO</p>		
<p>3. To influence other council departments and Government organisations to fulfil the requirements of</p>	<p>1. Lack of effective lines of communication with other organisations.</p> <p>2. Lack of effective lines of communication with parishioners.</p>	<p>Note all communication lines which are essential or beneficial and make information available to all councilors  Establish contacts by name and where possible face-to-face.</p> <p>Take every opportunity to publicise role of Parish Council.  Use Harmston Matters Newsletter  Effective use of Notice Boards  Use key issues to raise profile of PC and to test parishioners'</p>	<p>Chair Clerk All Councillors</p> <p>Chair All Councillors RFO</p>		

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<p>the Parish population.</p>	<p>3. Lack of preparation on subjects requiring influence.</p> <p>4. Lack of confidence by Parish Councillors.</p>	<p>views. Use Graffoe Link. Use of website - regularly updated. Use of FaceBook Harmston Community Page, HPC page and account. Use of public forum at the beginning of every meeting. Contacts in local school to utilize their email.</p> <p>Ensure that all councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion.</p> <p>As at 1 above. Experienced councillors to assist newcomers to establish essential contacts. Delegate responsibility for specific contacts to individual councillors. Map of village to aid understanding of contracts etc. Appropriate training accessed where necessary.</p>	<p>Clerk</p> <p>Chair All Councillors</p> <p>Chair All Councillors</p> <p>Chair All Councillors Clerk</p>		
<p>4. To ensure that all councilors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.</p>	<p>1. Lack of knowledge of possible culpability of councillors.</p> <p>2. Lack of education of Councillors regarding culpability.</p> <p>3. Inadequate insurance cover taken out - property, personal liability, employer's liability.</p>	<p>Creation of standing orders and familiarisation with those where greatest risk occurs. <b>Use of Code of Conduct.</b> <b>Time allotted in meetings to ensure understanding.</b></p> <p>As at 1 above. Delegate responsibility to one or two councilors to assist newcomers to understand culpability. Attend any training courses available.</p> <p>Bring to Parish Councilor's attention at meetings. Add to Clerks Tasks annual overview. Document shared with PC in its entirety.</p>	<p>Clerk Chair All Councillors</p> <p>Chair All Councillors</p> <p>RFO All Councillors</p>		

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<p>5. To keep appropriate books of account accurately and up-to-date throughout the financial year.</p>	<p>1. Lack of knowledge of accounting requirements</p>	<p>Ensure that all councillors are familiar with current financial regulations and include them in standing orders. Regularly review standing orders. To share accounts and Finance Report before each meeting <b>Designated time to discuss budgets, AGAR and Precept.</b></p>	<p>RFO Chair All Councillors</p>		
	<p>2. Lack of commitment to accounting requirements.</p>	<p>As at 1 above. RFO to produce financial reports at all meetings. Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly.</p>	<p>RFO Chair All Councillors</p>		
	<p>3. Bank charges unnecessarily incurred</p>	<p>RFO to carry out regular inspection of books of account. Internal audit to be undertaken periodically during the current financial year.</p>	<p>RFO Chair</p>		
	<p>4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations.</p>	<p>RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required. New clear format of Finance Report implemented. Cheque book, invoices and bank statements all balanced and reference numbers added for clear tracking and cross referencing' <b>Prior to every meeting, the Clerk shares the Financial Overview (to date), VAT refund document (to date), Financial Report for that month, Clerks Report and a detailed Finance section in each agenda.</b></p>	<p>RFO Chair</p>		
	<p>5. Inaccuracies and interest losses caused by account transfers.</p>	<p><b>Only one account used.</b></p>	<p>RFO All Councillors</p>		
	<p>6. The most beneficial interest terms not being employed.</p>	<p>Ensure that favorable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.</p>	<p>RFO All Councillors</p>		

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	<p>7. Inadequate control of cash receipts and payments.</p> <p>8. Books of account not kept up to date/ invoices not posted promptly.</p> <p>9. Internal controls not in place or not operated.</p> <p>10. Payments missed or delayed due to inadequate filing of invoices.</p> <p>12. RFO taken ill or leaves without replacement</p> <p>13. New regulations issued by Auditors</p>	<p>Cash payments NOT used.                      Use of annual Financial Accounts to track income and expenditure                      All expenditure has an invoice, which has reference number, which can be cross references with the Financial Overview.                      Regular checks by RFO and internal auditor.                      Financial reports at all PC meetings.</p> <p>As at 7. above.</p> <p>As at 7. above.</p> <p>Appoint Internal Auditor as temporary replacement                      What do HPC want to do?</p> <p>Ensure RFO informed of anything new from Auditors and conveys all information to the Council</p>	<p>RFO Chair</p> <p>RFO Chair</p> <p>RFO Chair</p> <p>RFO Chair</p> <p>Chair</p>		
<p>6. To ensure that payments made from council funds and the use of assets, represent value for money, are adequately managed, and comply</p>	<p>1. Lack of knowledge of wishes of residents.</p> <p>2. Use of funds not giving value for money.</p>	<p>As at 3.2                      Ensure residents are consulted on all major financial issues.                      Open forum for public at each meeting.                      Use of Social media, website and email.                      Some PC present at APM.</p> <p>Effective budget planning processes.                      Procuring more than one quote when making significant purchases.</p>	<p>Chair All Councillors Clerk</p> <p>RFO Chair All Councillors</p> <p>RFO</p>		

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<p>generally with the wishes of the residents.</p>	<p>3. Use of funds not in accordance with the wishes of the residents</p> <p>4. Charges for use of facilities inadequate.</p> <p>5. Fund raising not properly controlled or not in accordance with regulations.</p>	<p>As at 2 above Appointment of RFO to create effective financial management. Internal audit checks to cover consultation process. Use of Parish Plan to establish residents wishes</p> <p>Effective financial management by RFO. Internal audit checks.</p> <p>All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.</p>	<p>Chair All Councillors</p> <p>Chair</p> <p>All Councillors</p>		
<p>7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.</p>	<p>1. Lack of knowledge of budgetary process, and Council regulations.</p> <p>2. Lack of commitment to budgetary process.</p> <p>3. Inadequate consideration of requirements for annual precept.</p> <p>4. Calculation not in accordance with Council regulations.</p> <p>5. Inadequate internal controls with regard to monitoring expenditure.</p>	<p>Include regulations in Standing Orders issued to all councillors. Place item on agenda early in year to remind councilors of budget process and actions required.</p> <p>As at 1. above Involve all councillors in budgetary process not solely the clerk.</p> <p>Place item on agenda prior to Budget Meeting to remind councillors of budget process and actions required. Start consideration of calculation at least 4 months prior to submission date. <b>Clerk preps with Chair.</b></p> <p>Checks by RFO and Internal Auditor.</p> <p>Checks by RFO and Internal Auditor. Financial and budget progress reports to all PC meetings.</p> <p>Checks by RFO and Internal Auditor. Financial and budget progress reports to all PC meetings.</p>	<p>Chair Clerk RFO</p> <p>RFO Clerk</p> <p>RFO Clerk Chair All Councillors</p> <p>RFO Chair</p> <p>RFO Chair</p>		

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	6. Reserves too low.	As at 5 above.	RFO Chair		
8. To explore all possible sources of income, and to ensure that expected income is fully received.	1. Lack of knowledge of possible sources of income e.g. grants.	Obtain Details as and when necessary.	Clerk Chair		
	2. Lack of commitment to pursue possible sources of income.	As at 1.	Clerk Chair		
	3. Receipts not banked or not banked promptly.	Regular checks by RFO. Internal audit checks. <b>Accounts &amp; Finance Report share bi-monthly</b>	RFO Chair		
	4. Debts not pursued promptly.	As at 3. above.	RFO Chair		
	5. VAT claims not made promptly or made incorrectly.	Ensure RFO has appropriate and up-to-date VAT official publications Regular checks by RFO. Internal audit checks.	RFO Chair		
9. To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with council regulations, and adequately monitored.	1. Inappropriate rate of pay to employees.	Ensure employee regulations are available and understood by Clerk Internal audit checks External payroll instructed to issue monthly pay slips	Chair All Councillors		
	2. Tax and NI arrangements not in accordance with regulations.	As at 1 above.	Chair All Councillors		
	3. Amounts paid to contractors not in accordance with contract and inadequately	Internal audit checks Appoint councilor to monitor contract work carried out.	Chair RFO All Councillors		

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	monitored.				
10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	<p>1. Lack of knowledge of Council regulations and procedures.</p> <p>2. Late or non- submission of annual accounts.</p> <p>3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.</p> <p>4. Inadequate audit trail from records to final accounts.</p>	<p>Include financial regulations in Standing Orders. Attend training seminars where available. <b>Annual membership of LALC.</b></p> <p>Include a time table in Standing Orders. RFO to monitor progress against timetable and report to PC meetings. Add relevant details to clerk's annual overview. <b>AGAR on appropriate Agenda.</b></p> <p>Checks by all councillors in meeting prior to AGAR exemption submission Internal audit checks</p> <p>As at 3 above. Extensive systems in place for monitoring income &amp; expenditures, which are checked bimonthly by councillors.</p>	<p>Clerk Chair RFO</p> <p>Clerk RFO Chair</p> <p>RFO Chair</p> <p>RFO Chair All Councillors</p>		
11. To identify, value, and maintain all the assets of the Parish Council, and ensure that asset and investment registers are complete, accurate and properly maintained.	<p>1. Lack of knowledge of assets of Parish Council.</p> <p>2. Assets lost or misappropriated</p> <p>3. Inadequate or inaccurate valuation of the council's assets.</p>	<p>Ascertain and record all assets for which Parish council is responsible. Permanent asset register</p> <p><b>Establish who is responsible for security and maintenance of each asset.</b> <b>Appoint councillor responsible for regular monitoring of location and use of assets. (To action)</b></p> <p>Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks. Annual Play Area Inspection &amp; Valuation booked (ongoing)</p>	<p>All Councilors RFO</p> <p>All Councillors</p> <p>All Councillors RFO Clerk</p>		

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	4. Asset register not established or inadequately maintained.	Create asset register in accordance with Audit Commission requirements.	RFO		
12. To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children, GDPR etc.	<p>1. Lack of knowledge of applicable legislation</p> <p>2. Lack of public awareness of applicable legislation.</p> <p>3. Failure to comply with applicable legislation.</p>	<p>Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at PC meetings.</p> <p>Include, as appropriate, in any public consultations.</p> <p>As at 1 above</p>	Clerk RFO All Councillors		
13. To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.	<p>1. Lack of information on properties, buildings and equipment.</p> <p>2. Lack of knowledge of safety requirements.</p> <p>3. Lack of commitment to carrying out safety checks.</p>	<p>Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties for which PC responsible.</p> <p>Ensure that all current legislation and advice is held by Clerk. Place subject as item on PC meeting agenda at regular intervals.</p> <p>As at 2. above. Delegate responsibility for particular properties to individual councillors / playground / play equipment inspectors. <b>Local handy person instructed to carry out repairs promptly and thoroughly.</b></p>	<p>Clerk All Councillors RFO</p> <p>Clerk Chair</p> <p>All Councillors</p>		

Signed \_\_\_\_\_ (Chair of meeting)

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Date: \_\_\_\_\_

Signed \_\_\_\_\_ (Clerk)

Date: \_\_\_\_\_