

Sparkwell Parish Council Risk Management

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| Author | Clerk |
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| Review | March 2024 |

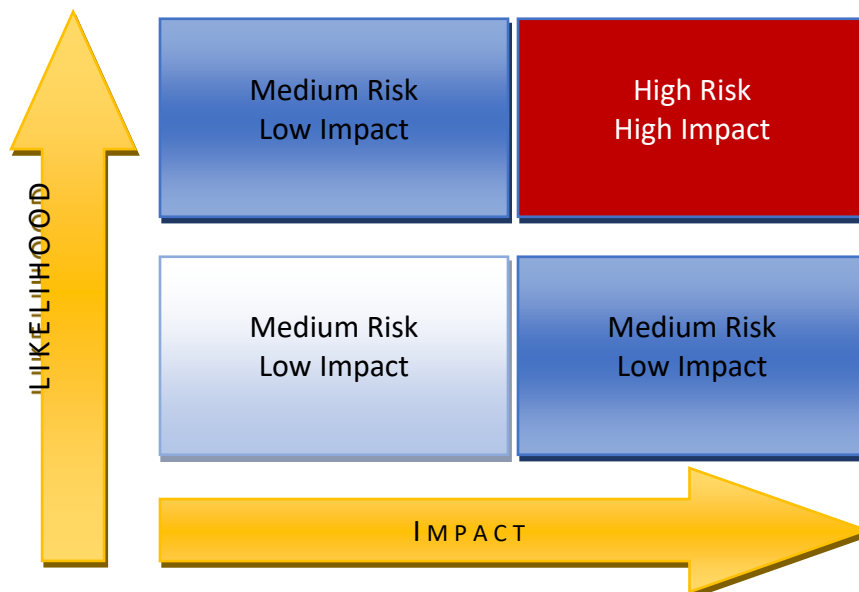
RISK MANAGEMENT PLAN

1. Policy

- 1.1 The management of risk is an essential to the Council’s administration of its assets and resources, and responsibilities under Health and Safety and GDPR Legislation.
- 1.2 Risk assessment is a continuous process and will identify financial and non-financial risks.
- 1.3 Risk assessment forms part of the Council’s Internal Control systems, Financial Regulations and the Internal Audit.
- 1.4 The Council is responsible for the management of risk in accordance with this Plan and its Finance Regulations.

2. Risk Management Plan

- 2.1 This plan defines how the Council will manage identified risks
- 2.2 Risks can be defined as any threat or possibility that an action or event will adversely affect the Council and is rated as High, Medium or Low risk.
- 2.3 The potential impact of the risk is identified and rated as High, Medium or Low impact.



- 2.4 The attached Risk Assessment forms part of this Plan.
- 2.5 This Plan will be reviewed annually.

Sparkwell Parish Council – Risk Assessment (May 2022)

| Area | Risk(s) Identified | Risk Level H/M/L | Potential Impact H/M/L | Management/Control of Risk | Review/Action Required |
|--|--|---------------------|---------------------------|---|--|
| Assets | | | | | |
| Sparkwell Bus Shelter Hemerdon Bus Shelter Lee Mill Bus Shelter Sparkwell Youth Shelter Bottle Park Play Area Sparkwell Play Area | Protection of physical assets | Medium | Medium | Property insured | Insurance policy to be reviewed annually |
| Maintenance of above assets | Inadequate maintenance of buildings etc | Low | Low | Planned maintenance programme Property budget Annual inspection of all assets to minimise risk of failings Annual District Council safety inspection | Council to review budget annually |
| Insurance | Inadequate cover or over insurance increasing costs unnecessarily. | Low | High | Annual review of insurance with brokers Annual review of asset values | Maintain existing procedures Asset Register to be revised in March 2023 |

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|--------------------------------|---|---------------------|---------------------------|--|------------------------------|
| Finance | | | | | |
| Precept | Overspend of operational budget and/or inaccurate setting of Precept level realising demand on Reserves | Low | High | Budget and Precept considered by Full Council annually Sound budgetary control Expenditure against budget considered monthly by Full Council | Maintain existing procedures |
| Bank and Banking | Bank errors and/or inadequate checks leading to financial irregularities | Low | Medium | Bank reconciliation each month Bank reconciliation check by Member every six months | Maintain existing procedures |
| Financial controls and records | Inadequate records leading to financial irregularities | Low | Medium | Internal & external audit presented to Full Council | Maintain existing procedures |
| Computer records | Loss of data through system error or theft | Low | High | Back-up on completion of all entries to an encrypted portable device Monthly backup to Google Drive | Maintain existing procedures |
| Cash flow | Loss of income or unforeseen major expenditure leading to cash flow problems | Low | Low | Ensure adequate reserves Ensure adequate insurance cover | Maintain existing procedures |

| Area | Risk(s) Identified | Risk Level H/M/L | Potential Impact H/M/L | Management/Control of Risk | Review/Action Required |
|--------------|--|---------------------|---------------------------|---|--|
| Cash loss | Loss through theft and dishonesty | Low | Medium | Financial Regulations which set out requirements Annual audit | Maintain existing procedures |
| Budget | Inadequate budget preparation leading to inability to fulfil obligations | Low | High | Budget considered by Full Council Income and expenditure considered monthly Virements made where necessary | Review of budget during course of financial year |
| Tenders | Best value not achieved | Low | Medium | Financial regulations detail procedures to be followed | Maintain existing procedures |
| Payments | Goods not supplied but invoiced Invoices incorrect Invoices unpaid | Low | Medium | All invoices recorded and filed Invoices checked for accuracy and for receipt of goods and services Two signatories on cheques and initialling of cheque stubs Two signatories to authorise online payments List of expenditure to Full Council presented monthly | Maintain existing procedures |
| Cheque Books | Loss of cheques Fraudulent use | Low | High | Cheque books retained by the Clerk at place of residence No blank cheques signed | Maintain existing procedures |

| Area | Risk(s) Identified | Risk Level H/M/L | Potential Impact H/M/L | Management/Control of Risk | Review/Action Required |
|--------------------------|---|---------------------|---------------------------|--|---------------------------------|
| Online Payments | Incorrect Payee, amount Fraud | Low | High | Online payments are set up by the Clerk and approved by two signatories Correct use of passwords | Maintain existing procedures |
| Grants | Mismanagement of Grant Aid powers | Low | Low | Written applications only considered for Grant Aid by Full Council Conditions in place, budgets adhered to | Maintain existing procedures |
| Salaries | Incorrect payments to the Clerk (rates, NI, tax) | Low | High | Contract with Payroll4Business for payroll facility All correspondence filed Internal audit | Maintain existing procedures |
| Councillor Allowances | Non-payment of tax | Low | Low | Only the Chairman receives an allowance for external duties | No action required |
| Election Costs | Inability to meet costs | Low | Low | District costs are for the following budget year Provision made in budget | Maintain existing procedures |
| VAT | Errors in calculation. Payments not made to HMRC | Low | High | Comply with HMRC regulations Returns to be made when applicable Internal audit | Maintain existing procedures |

| Area | Risk(s) Identified | Risk Level H/M/L | Potential Impact H/M/L | Management/Control of Risk | Review/Action Required |
|---|--|---------------------|---------------------------|--|---|
| Annual Return | Inability to conduct year end close on time/not submitted on time | Low | Medium | Book internal audit early | Maintain existing procedures |
| Reserves | Earmarked reserves not clearly identified | Medium | Low | Identify / adjust when setting budget Reserves Policy | Annual Review March 2023 |
| Insurance | | | | | |
| Damage to third party property or individuals | Accidental injury to members of the public or accidental damage to property not owned by the Council | Medium | High | Public Liability Insurance Compliance with H&S Policies and advice Risk assessment of individual events Annual review of H&S Policy | Insurance cover to be reviewed annually |
| Council Property | Damage or loss | Medium | Low | Adequate insurance cover | Insurance cover to be reviewed annually |
| Personal Accident to Officers/Councillors | While carrying out Council duties | Low | Low | Adequate insurance cover | Insurance cover to be reviewed annually |
| Insolvency of Insurance Company | Insolvency of insurance company | Low | High | Insurance with large insurance company Annual review of provider | Insurance cover to be reviewed annually |
| Staff | Compliance with Employment Law | Medium | Medium | Employer Liability insurance in place (limit of indemnity £10m) | Insurance cover to be reviewed annually |
| All personnel | Health & Safety matters | Medium | Medium | Health & Safety policy in place | Maintain existing procedures |

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|----------------------------|--|---------------------|---------------------------|---|--|
| Legal | Conduct of Council business is ultra vires | Medium | Low | Clerk to verify legal position for any new proposal | Legal advice to be sought where required |
| Administration | | | | | |
| Councillor propriety | Incomplete register of interests | Medium | Low | Regular reminder to members | Maintain existing procedures |
| Councillor propriety | Failure to declare interests | Medium | Low | Regular reminder to members | Maintain existing procedures |
| Councillor/staff propriety | Breach of confidentiality | Medium | Low | Regular reminder to members/staff | Maintain existing procedures |
| Clerk | Clerk unable to fulfil duties eg, due to poor health or accident | Medium | High | Reciprocal arrangement with Parish Council cluster group in the event of emergency Budget for locum | Maintain existing procedures |
| Pandemic | Council not able to hold meetings | High | High | Use of remote meetings as per 2020 Legislation Emergency delegated powers to Clerk to maintain regular approved financial commitments. Risk assessments for any face to face contact. | N/A but keep up to date on legislation and advice. |

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|---------------------|---|---------------------|---------------------------|---|------------------------------|
| Reports and records | Improper and untimely reporting of meetings via the minutes | Low | Medium | Council to meet monthly to receive and approve minutes of meetings held in the interim Minutes to be made available to the press if requested and public | Maintain existing procedures |

See separate Risk assessments for:

- GDPR
- Homeworking
- Lengthsman