

## Hurworth Parish Council Procedure 24 – Risk Assessment

### 1. Mission Statement of Hurworth Parish Council:

To provide services for, and manage and maintain the assets of the parish of

Hurworth, within the resources provided by the annual precept and other incomes.

To involve local people in shaping the future of their community to ensure a better quality of life for everyone now and in generations to come.

Taking into account the wishes of the residents through the Parish Plan and obtaining value for money.

2. HPC is required to prepare a detailed Risk Assessment, and to update it every year, to reflect the current situation.
3. HPC must provide a copy of the updated Risk Assessment to the Internal Auditor every council year end.
4. The risk Assessment must be formally adopted by the entire council, and minuted at PC Meeting.

5. Every councillor needs to be aware that paragraphs of the Risk Assessment directly relate to individual councillors, and they have responsibility to ensure the conditions are upheld.
6. A copy of the updated Risk Assessment will be led in the HPC Procedures Manual.
7. The updated risk Assessment forms parts of the annual audit.

#### HURWORTH PARISH COUNCIL RISK ASSESSMENT

<b>Aim</b>	<b>Risk</b>	<b>Method used to Minimise Risk</b>	<b>Person(s) Responsible</b>
<b>1. Business Continuity</b>	<b>1 Incapacity of Clerk</b>	<b>Designate a person to temporarily act as Clerk in an emergency</b>	<b>All Members</b>
	<b>2. Loss or theft of records</b>	<b>All old copies of Minutes prior to electronic use are deposited with the County Records. All minutes from 2004 are held on the Council's website Records are backed up monthly, to hard drive, and held off site.</b>	<b>Clerk Clerk</b>
	<b>3. Failure to retain or secure the necessary number of Members to for a Council</b>	<b>Maintain an up to date attendance register. Advertise for an election immediately a vacancy exists Co-opt Members where no election held</b>	<b>Clerk All Members</b>

<p>2. To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	<p><b>1. Lack of knowledge of regulations and codes.</b></p>	<p><b>Ensure that all Councillors have available relative Acts. That a Code of Conduct, Procedures / Standing Orders and Financial Regulations are in place. Highlight essential parts and provide training where relevant.</b></p>	<p><b>Clerk Chair</b></p>
	<p><b>2. Absence of standing orders</b></p>	<p><b>Ensure that Standing Orders are produced, adopted by Council, understood by Councillors, and reviewed annually.. These have been circulated to all councillors. They are updated when modified in a full council meeting. Some extensions have been instituted in 2013-14, particularly relating to the Freedom of Information Act 2000.</b></p>	<p><b>Clerk Chair</b></p>
	<p>3. Actions by the Parish Council outside its powers laid down by Parliament.</p>	<p><b>As at 2.1 above, but ensure that powers are highlighted or extracted into effective summary. Revised in 2013-14.</b></p>	<p><b>Clerk Chair All Members Clerk</b></p>
	<p>4. Lack of commitment to regulations and procedures.</p>	<p><b>Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors is the way that this council operates. Responsibility roles are defined at the AGM.</b></p>	<p><b>Chair Clerk</b></p>
	<p>5. Items purchased without proper tendering procedures not providing value for money or resulting in accusations of commercial favoritism.</p>	<p><b>Ensure that all councillors are aware of regulations re budgetary control and tender procedures. Introduce practice of estimates for all purchases over a figure agreed in the financial regulations. Revised and adopted in 2010-11, now standard</b></p>	<p><b>Clerk Finance Committee</b></p>
	<p>6. Payments made without prior approval and adequate control.</p>		<p><b>Clerk</b></p>

		<p>practice in the council.</p> <p>Ensure all payments are approved in Council meetings and recorded in minutes. Where prior payment is required, this is approved by the Chair or Vice Chair.</p> <p>Keep cash payments to a minimum, and avoid if possible.</p> <p>Allotment rents are collected in cash, and banked without delay. No other cash transactions have been made in 2013-14.</p> <p>Three Councillors as authorised signatories approved by Council</p> <p>Ensure appropriate publications held and that Clerk has good knowledge of regulations. VAT returns have been submitted annually.</p> <p>A notice of meeting, including the agenda are placed on the notice board in each village and on the Council's website giving the required notice for each meeting</p> <p>Minutes are approved at the next meeting of the Council.</p> <p>A copy of the draft minutes are displayed on the Council's website by no later than one month from the meeting. The Chair signs all minutes after council approval.</p> <p>Members are required to declare an interest in any item of business and this is recorded in the minutes.</p> <p>Completed 'Register of Financial &amp; Other Interest'</p>	<p>Clerk</p> <p>All Members Clerk</p> <p>All Members Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Chair</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Vetting Committee</p>
	<p><b>7. Lack of control of signatories to cheques.</b></p> <p>8. VAT not properly accounted for, resulting in overclaims and large demands from C&amp;E.</p> <p>9. Notice of meeting</p> <p>10. Approval of minutes</p> <p>11. Register of Interests</p> <p>12. Security of Data</p> <p>13. Freedom Of Information</p>		

		<p>Forms are submitted to the Monitoring Officer and regularly reviewed. Declarations are invited from all councillors at the start of every meeting, and recorded in the minutes.</p> <p>Confidential documents are held in a locked cupboard</p> <p>The Council has adopted the model scheme and registered this with the Information Commissioner. This has been incorporated into the Council's Procedures. In 2013 a Vetting Committee was established and is now operational. Three members of the council and the Clerk have attended a training course to better understand the FoI and Data Protection Acts.</p>	
<p>3. 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. Further reference can be made to the Parish Plan. Attend training sessions if practicable.</p> <p>Register and analysis of 'apologies and reasons therefore.</p> <p>As at 3.1 above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission</p> <p>As at 3.2 above.</p>	<p>Clerk</p> <p>All Members</p> <p>Clerk Chair</p> <p>Clerk Chair</p> <p>All Members</p>
<p>4. To influence Government and other organisations to</p>	<p>1. Lack of effective lines of communication with other organisations.</p>	<p>Note all communication lines that are essential or beneficial and make information available to</p>	<p>Clerk</p>



<p><b>5. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.</b></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, employee's liability.</p>	<p><b>Creation of standing orders and procedures to familiarisation with those where greatest risk occurs.</b></p> <p><b>As at 5.1 above.</b>  <b>A sensible training budget is available for the training of both old and dew councillors.</b></p> <p><b>.Attend any training courses available.</b></p> <p><b>Ensure all new assets are adequately covered.</b>  <b>Annual review of insurance cover, particularly for trees and 'duty of care' areas.</b></p> <p><b>Annual check that employment liability is fully covered.</b></p>	<p><b>Clerk</b></p> <p><b>Chair</b></p> <p><b>All Members</b></p> <p><b>Clerk and All Members</b></p> <p><b>Clerk and All Members</b></p>
<p><b>6. To keep appropriate books of account accurately and up-to-date through out the financial year.</b></p>	<p><b>1. Lack of knowledge of accounting requirements</b></p> <p>2. Lack of commitment to accounting requirements.</p> <p><b>3. Bank charges unnecessarily incurred</b></p>	<p><b>Ensure that all Councillors are familiar with current financial regulations and include them in standing orders.</b>  <b>Regularly review standing orders.</b></p> <p><b>As at 6.1 above.</b>  <b>Clerk to produce up to date financial reports at all meetings. These are distributed to councillors prior to the meetings.</b></p> <p><b>Internal and External audit reports to be made available to all Councillors and any recommendations to be acted upon promptly.</b></p> <p><b>Clerk to balance accounts against bank statements monthly, and use the on-line facility.</b></p>	<p><b>All Members</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p>

	4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations.	<b>Clerk to ensure that books of account are formatted in such a way that internal controls are included and activated.</b>	<b>Internal Auditor</b>
	5. Bankings	<b>Annual internal audits to advise on internal controls required.</b>	<b>Clerk</b>
	6. Inaccuracies and interest losses caused by account transfers.	<b>All bankings and drawing of cheques to be in accordance with Section 5 of Financial Regulations</b>	<b>Clerk</b>
	7. The most beneficial interest terms not being employed.	<b>Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account</b>	<b>Clerk</b>
	8. Inadequate control of cash receipts and payments.	<b>Ensure that favorable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts. . A new bond was taken out in 2013 to attract bank interest.</b>	<b>Clerk Clerk</b>
	9. Books of account not kept up to date/ invoices not posted promptly.	<b>Avoid cash payments and receipts if possible. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum balance. Only allotments rents involve cash transactions.</b>	<b>Clerk Clerk Clerk</b>
	10. Internal controls not in place or not operated.	<b>Regular monthly update of accounts by Clerk. Financial reports at all Parish Council meetings. Monthly Bank reconciliation.</b>	<b>Clerk</b>
	11. Payments missed or delayed due to inadequate filing of invoices.	<b>As at 6.8 above.</b>	
		<b>As at 6.8 above. All invoices to be checked and filed as pending on receipt and reported to next</b>	



		<b>Parish Council meeting.</b>	
<p>7. To ensure that payments made from council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the residents.</p>	<p><b>1. Lack of knowledge of wishes of residents.</b></p> <p><b>2. Use of funds not giving value for money.</b></p> <p>3. Use of funds not in accordance with the wishes of the residents</p> <p><b>4. Charges for use of facilities inadequate.</b></p> <p>5. Fund raising not properly controlled or not in accordance with regulations.</p>	<p><b>As at 3.2</b></p> <p><b>Effective budget planning processes.</b>  <b>Creation of annual plan from parish plan and any consultation process.</b>  <b>Creation of outline 2/3 year plan.</b></p> <p><b>As at 7.2 above</b>  <b>Appointment of RFO (Clerk) to maintain effective financial management.</b></p> <p><b>Effective financial management and prompt collection by RFO.</b>  <b>Internal audit checks.</b></p> <p><b>All Councillors to be aware of need to check regulations before commencing fund-raising activities.</b>  <b>Effective financial management by RFO.</b></p>	<p><b>All Members</b></p> <p><b>Clerk with Finance Committee.</b></p> <p><b>Clerk</b></p> <p><b>All Members</b></p> <p><b>Clerk</b></p> <p><b>Internal Auditor</b></p> <p><b>All Members</b></p> <p><b>Clerk</b></p>
<p>8. <b>To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.</b></p>	<p>1. Lack of knowledge of budgetary process, and Council regulations.</p> <p><b>2. Lack of commitment to budgetary process.</b></p>	<p><b>Refer to Standing Orders issued to all Councillors.</b></p> <p><b>Delegate responsibility for managing budgetary process to a Finance Committee appointed by the Council. Separate Finance Meetings must be held during the year.</b></p> <p><b>Involve all Councillors in budgetary process not solely the Clerk.</b></p>	<p><b>All Members</b></p> <p><b>Clerk</b></p> <p><b>All Members</b></p> <p><b>All Members</b></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>6. Election Costs</p> <p><b>7. Reserves too low.</b></p>	<p><b>As at 8.1 above</b>  <b>Start consideration of calculation at least 4 months prior to submission date</b>  <b>Create annual and 2/3 year plans to assist in process.</b></p> <p><b>Checks by RFO and Internal Auditor.</b>  <b>Checks by RFO and Internal Auditor.</b></p> <p><b>Financial and budget progress reports to all Parish Council meetings.</b></p> <p><b>In an election year, estimated costs obtained from the Electoral Officer and included in the budget.</b>  <b>In other years the Council provides a sum within its working balance to meet possible by-election costs.</b></p> <p><b>As at 8.5 above. Validate Establishment Costs at least for one year ahead. Use Legislative guidelines of 3 to 12 months, to calculate Minimum Reserve.</b></p>	<p><b>Finance Committee, and then all Members</b></p> <p><b>All Members</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk/All Members</b></p> <p><b>Clerk</b>  <b>All Members</b></p>
<p><b>9. To explore all possible sources of income, and to ensure that expected income is fully received.</b></p>	<p>1. Lack of knowledge of possible sources of income e.g. grants, funding streams.</p> <p>2. Lack of commitment to pursue possible sources of income.</p> <p>3. Non receipt of sums claimed</p>	<p><b>Work closely with local association and residents groups to gain experience of all grants/funds available and application procedures.</b></p> <p><b>As at 9.1.</b></p> <p><b>All applications and approvals reported through minutes to create an audit trail</b></p>	<p><b>Clerk</b>  <b>All Members</b></p> <p><b>Clerk</b>  <b>All Members</b></p> <p><b>Clerk</b></p>

	<p><b>4. Receipts not banked or not banked promptly.</b></p> <p><b>5. Debts not pursued promptly.</b></p> <p><b>6. VAT claims not made promptly or made incorrectly.</b></p>	<p><b>Financial and budget progress reports to all Parish Council meetings.</b> <b>Internal audit checks.</b></p> <p><b>As at 9.3 above.</b></p> <p><b>Ensure Clerk has appropriate and up-to-date VAT official publications</b> <b>Financial and budget progress reports to all Parish Council meetings.</b> <b>Internal audit checks.</b></p>	<p><b>Clerk</b></p> <p><b>Internal Auditor</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Internal Auditor</b></p>
<p><b>10. To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with Council regulations, and adequately monitored.</b></p>	<p>1. Inappropriate rate of pay to employees.</p> <p>2. Tax and NI arrangements not in accordance with regulations.</p> <p>3. Amounts paid to contractors not in accordance with contract and inadequately monitored.</p>	<p><b>A contract of employment and job description and person specification is agreed for the Clerk</b> <b>Ensure employee regulations are available and understood by Clerk</b> <b>Financial and budget progress reports to all Parish Council meetings.</b></p> <p><b>Terms and conditions are agreed in the minutes.</b> <b>No additional payment without Council approval</b></p> <p><b>Liability reported through Council Minutes.</b> <b>Internal audit checks</b></p> <p><b>As at 10.1 above.</b></p> <p><b>Financial and budget progress reports to all Parish Council meetings.</b> <b>Appoint Councillor to monitor contract work carried out (Project Manager).</b></p>	<p><b>All Members</b></p> <p><b>Clerk/Chair</b></p> <p><b>Clerk</b></p> <p><b>All Members</b> <b>All Members</b></p> <p><b>Clerk</b> <b>Internal Auditor</b></p> <p><b>Clerk</b> <b>Internal Auditor</b></p> <p><b>Clerk</b></p> <p><b>All Members, Designated councillor</b></p> <p><b>Internal Auditor</b></p>

		<b>Internal audit checks</b>	
<b>11. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.</b>	1. Lack of knowledge of Council regulations and procedures.  <b>2. Late or non- submission of annual accounts.</b>   3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements.  4. Inadequate audit trail from records to final accounts.	<b>Include financial regulations in Standing Orders. Attend training seminars where available.</b>  <b>Include a time table in Standing Orders/Financial Regulations. Accounts should be made available to the Internal Auditor within 30 days of the year end. The annual return to the External Auditor should be submitted within 60 days of the year end.</b>  <b>Financial and budget progress reports to all Parish Council meetings.</b>  <b>Financial and budget progress reports to all Parish Council meetings. Internal audit checks</b>	<b>All Members</b>  <b>Clerk</b> <b>Clerk</b> <b>Internal Auditor</b>  <b>Clerk</b>  <b>Internal Auditor</b>
<b>12. 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.</b>	<b>1. Lack of knowledge of assets of Parish Council.</b>	<b>Ascertain and record all assets for which Parish Council is responsible.</b>  <b>Create permanent asset register and include in final accounts.</b>	<b>All Members + Clerk</b>  <b>Clerk</b>

	<b>2. Assets lost or misappropriated</b>	<b>To be duly investigated by the Clerk, and whoever is deemed required to resolve the problem.</b>	<b>Clerk</b>
	<b>3. Inadequate or inaccurate valuation of the Council's assets.</b>	<b>Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.</b>	<b>Clerk</b>
	<b>4. Clarify ownership of all areas of land within the parish, and agree on actions where no owner is apparent.</b>	<b>Discuss with Land Registry and Darlington Borough Council. Register land ownership applications where appropriate if agreed by the full council.</b>	<b>Chair and Clerk All Members</b>
	<b>4. Asset register not established or inadequately maintained.</b>	<b>Update an asset register in accordance with Audit Commission requirements.</b>	<b>Clerk</b>
<b>13. To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.</b>	<b>1. Lack of knowledge of applicable legislation</b>  2. Lack of public awareness of applicable legislation.  <b>3. Failure to comply with applicable legislation.</b>	<b>Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at Parish Council meetings.</b>  <b>Include, as appropriate, in any public consultations.</b>  <b>As at 13.1 above</b>	<b>Clerk All Members</b>  <b>All Members</b>  <b>Clerk All Members</b>

14. <b>To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.</b>	<p>1. Lack of information on properties, buildings and equipment.</p> <p>2. Lack of knowledge of safety requirements or commitment to carrying out safety checks.</p>	<p><b>Ensure that all current legislation and advice is held by Clerk.</b>  <b>Include in asset register all properties and assets for which Parish Council is responsible. Record additions each year.</b>  <b>Ensure all assets and details of all risks are adequately detailed with insurance company.</b>  <b>Ensure that the Hurworth Community Association (HCA)</b>  <b>(tenant) properly maintain the Hurworth Grange building and grounds, in accordance with their all-repairing lease.</b>  <b>Ensure that HCA have adequate insurance cover for all risks associated with the Grange building and grounds.</b>  <b>Comprehensive checks and remedial work have been carried out during 2013-14.</b>  <b>Ensure the new lease which will be signed in 2014, meets the terms and conditions agreed upon.</b></p> <p><b>Ensure that all current legislation and advice is held by Clerk.</b></p>	<p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>Clerk</b></p> <p><b>All members</b></p> <p><b>Chair + Clerk</b></p>