

Risk Management Procedure
For
Wainfleet All Saints
Town Council

Reviewed – Update July 2018
Next Review Date May 2020

WAINFLEET ALL SAINTS TOWN COUNCIL RISK MANAGEMENT

Mission Statement of Wainfleet All Saints Town Council:

To provide services for, and manage and maintain the assets of, the TOWN of Wainfleet All Saints, within the resources provided by the annual precept and/or other incomes, taking into account the wishes of the residents and obtaining value for money.

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible
1. To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.	1. Lack of knowledge of regulations and codes.	Ensure that all Councillors have copies of relative Acts, Code of Conduct, and Standing Orders. Highlight essential parts and provide training where possible.	Clerk Councillors
	2. Absence of standing orders	Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.	Clerk Councillors
	3. Actions by the PC outside its powers as set out by Parliament.	As at 1 above, but ensure that powers are highlighted or extracted into effective summary.	Clerk Councillors
	4. Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.	Clerk Chair Councillors
	5. Items purchased without proper tendering procedures, resulting in accusations of commercial favoritism.	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.	Clerk Councillors
	6. Payments made without prior approval and adequate control.	Ensure all payments are approved in Council meetings and recorded in minutes. Keep cash payments to a minimum, and avoid if possible.	Clerk Councillors
	7. Lack of control of signatories to cheques.	All councillors to be signatories to ensure cheques being signed at meetings.	Clerk
	8. VAT not properly accounted for, resulting in over-claims and large demands from HMRC.	Ensure appropriate publications held and that Clerk has good knowledge of regulations.	Clerk

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2. To identify and regularly review the Council's priorities.	<ol style="list-style-type: none"> 1. Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievement. 2. Lack of commitment by council members 3. No risk analysis carried out. 4. No steps taken to combat identified risks 	<p>All councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.</p> <p>Add risk assessment to agenda at least quarterly, reviewing particular items, and results against those items.</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 Councillors</p> <p>Chair</p> <p>Clerk Councillors</p> <p>Clerk Councillors</p>
3. To influence other council departments and Government organisations to fulfil the requirements of the Parish population.	<ol style="list-style-type: none"> 1. Lack of effective lines of communication with other organisations. 2. Lack of effective lines of communication with parishioners. 3. Lack of preparation on subjects requiring influence. 4. Lack of confidence by Parish Councillors. 	<p>Note all communication lines which are essential or beneficial and make information available to all councillors. Establish contacts by name and where possible face-to-face.</p> <p>Take every opportunity to publicise role of Parish Council. Create Parish newsletter if none exists. Use Notice Boards and "flyers". Use key issues to raise profile of PC and to test parishioners' views. Add social event to occasional meeting. Create Annual PC plan and put to parishioners for comment.</p> <p>Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information.</p> <p>As at 1 above. Experienced councillors to assist newcomers to establish essential contacts. Delegate responsibility for specific contacts to individual councillors</p>	<p>Clerk</p> <p>Councillors</p> <p>Clerk</p>
4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.	<ol style="list-style-type: none"> 1. Lack of knowledge of possible culpability of councillors. 2. Lack of education of Councillors regarding culpability. 3. Inadequate insurance cover taken out – property, personal liability, employer's liability. 	<p>Creation of standing orders and familiarisation with those where greatest risk occurs.</p> <p>As at 1 above. Delegate responsibility to one or two councillors to assist newcomers to understand culpability. Attend any training courses available.</p> <p>Review risk assessment by including on agenda at least quarterly. Delegate responsibility for keeping up-to-date with insurance requirements to an individual councillor.</p>	<p>Clerk Councillors</p> <p>Councillors</p> <p>Clerk Chair 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 all councillors are familiar with current financial regulations and include them in the council's Standing Orders. Regularly review Standing Orders. Appoint separate RFO (perhaps a councillor) to ensure another line of responsibility for financial management.</p>	<p>Clerk</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>Clerk</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>Clerk</p>
	<p>4. Inaccuracies in recording amounts and totals in books of account.</p>	<p>RFO to ensure that books of account are formatted in such a way that internal controls are included and activated.</p>	<p>Clerk</p>
	<p>5. Bank reconciliations not carried out.</p>	<p>Regular internal audits to provide advice on internal controls required.</p>	<p>Clerk</p>
	<p>6. Inaccuracies and interest losses caused by account transfers.</p>	<p>Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account.</p>	<p>Councillors</p>
	<p>7. The most beneficial interest terms not being employed.</p>	<p>Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.</p>	<p>Clerk</p>
	<p>8. Inadequate control of cash receipts and payments.</p>	<p>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.</p>	<p>Clerk</p>
	<p>9. Books of account not kept up to date/ invoices not posted promptly.</p>	<p>Regular checks by RFO and internal auditor. Financial reports at all PC meetings.</p>	<p>Clerk</p>
	<p>10. Internal controls not in place or not operated.</p>	<p>As at 8 above.</p>	<p>Clerk</p>
	<p>11. Payments missed or delayed due to</p>	<p>As at 8 above.</p>	<p>Councillors</p>
	<p>12. Clerk taken ill or leaves without replacement</p>	<p>Appointing separate RFO allows a further individual to be familiar with all aspects of financial matters.</p>	<p></p>

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1. 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.	1. Lack of knowledge of wishes of residents. 2. Use of funds not giving value for money. 3. Use of funds not in accordance with the wishes of the residents. 4. Charges for use of facilities inadequate. 5. Fund raising not properly controlled or not in accordance with regulations.	As at 3.2 above. Ensure residents are consulted on all major financial issues. Effective budget planning processes. Creation of annual plan after consultation process. Creation of outline 2/3 year plan. As at 2 above. RFO to create effective financial management. Internal audit checks to cover consultation process. Effective financial management by RFO. Internal audit checks. All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.	Councillors Councillors Councillors Clerk Councillors Clerk Councillors
2. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.	1. Lack of knowledge of budgetary process, and of Council regulations. 2. Lack of commitment to budgetary process. 3. Inadequate consideration of requirements for annual precept. 4. Calculation not in accordance with Council regulations. 5. Inadequate internal controls with regard to monitoring expenditure. 6. Reserves too low.	Include regulations in Standing Orders issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing initial budgetary process to a council committee or to RFO. As at 1 above Involve all councillors in budgetary process, not solely the clerk. Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing initial budgetary process to council committee or RFO. Start consideration of need at least 4 months prior to submission date. Create annual and 2/3 plans to assist in process. Checks by RFO and Internal Auditor. Checks by RFO and Internal Auditor. Financial and budget progress reports to all PC meetings. As at 5 above.	Councillors Clerk Councillors Clerk Chair Councillors Clerk Clerk

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8. To explore all possible sources of income, and ensure that expected income is fully received.	<ol style="list-style-type: none"> 1. Lack of knowledge of possible sources of income e.g. grants. 2. Lack of commitment to pursue possible sources of income. 3. Receipts not banked or not banked promptly. 4. Debts not pursued promptly. 5. VAT claims not made promptly or made incorrectly. 	<p>Appoint a councillor as Grants Officer to gain experience of all grants available and application procedures.</p> <p>As at 1.</p> <p>Regular checks by councillor appointed as RFO. Internal audit checks.</p> <p>As at 3 above.</p> <p>Ensure Clerk has appropriate and up-to-date VAT official publications. Regular checks by RFO. Internal audit checks.</p>	<p>Clerk Councillors</p> <p>Clerk Councillors</p> <p>Clerk Councillors</p>
9. To ensure that salaries paid to employees and amounts paid to contractors are paid in line with council regulations, and are adequately monitored.	<ol style="list-style-type: none"> 1. Inappropriate rate of pay to employees. 2. Tax and NI arrangements not in accordance with regulations. 3. Amounts paid to contractors not in accordance with contract and inadequately monitored. 	<p>Ensure employee regulations are available and understood by Clerk. Checks by RFO. Internal audit checks.</p> <p>As at 1 above.</p> <p>Internal audit checks. Checks by RFO. Appoint councillor to monitor contract work carried out.</p>	<p>Clerk Councillors</p> <p>Clerk Councillors</p>
10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	<ol style="list-style-type: none"> 1. Lack of knowledge of Council regulations and procedures. 2. Late or non- submission of annual accounts. 3. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements. 4. Inadequate audit trail from records to final accounts. 	<p>Include financial regulations in Standing Orders. Attend training seminars where available.</p> <p>Include a time table in Standing Orders. RFO to monitor progress against timetable and report to PC meetings.</p> <p>Checks by RFO. Internal audit checks.</p> <p>As at 3 above.</p>	<p>Clerk Councillors</p> <p>Clerk Councillors</p> <p>Clerk Councillors</p>

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible
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.	1. Lack of knowledge of assets of Parish Council. 2. Assets lost or misappropriated 3. Inadequate or inaccurate valuation of the council's assets. 4. Asset register not established or inadequately maintained.	Ascertain and record all assets for which Parish council is responsible. Create permanent asset register. Establish who is responsible for security and maintenance of each asset. Appoint councillor responsible for regular monitoring of location and use of assets. Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks. Create asset register in accordance with Audit Commission requirements.	Clerk Councillors Councillors Clerk Councillors Clerk Councillors
12. To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.	1. Lack of knowledge of applicable legislation 2. Lack of public awareness of applicable legislation. 3. Failure to comply with applicable legislation.	Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at PC meetings. Include, as appropriate, in any public consultations. As at 1 above	Clerk Councillors
13. To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.	1. Lack of information on properties, buildings and equipment. 2. Lack of knowledge of safety requirements. 3. Lack of commitment to carrying out safety checks.	Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties for which PC responsible. Ensure that all current legislation and advice is held by Clerk. Place subject as item on PC meeting agenda at regular intervals. As at 2 above. Delegate responsibility for supervision of particular properties to individual councillors, reporting back to council for any action.	Councillors Councillors Councillors

Adopted by Wainfleet All Saints Town Council

Signed Mayor/Chairman

Signed Clerk

Date