



DUSTON PARISH COUNCIL
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Overcoming Obstacles: Risk Assessment 2016/2017 February 2016

February 2016

What this document is about

Adopted 5 March 2015 R/14-15/171

Reviewed: 4th Feb 16 R/15-16/142

Duston Parish Council (DPC)¹ is aware that sometimes things happen that prevent the achievement of the vision, aims and values. Obstacles can get in the way. Things can happen that with a little planning could be avoided or at least reduced. Sometimes DPC do not take advantage of opportunities because there are obstacles associated with them. They could relate to financial, political, or environmental issues for example.

DPC call these obstacles 'risks'. This document sets out what DPC feel are the key strategic risks in the coming year and how DPC might tackle them.

What is 'risk management'?

Risk Management is:

- Seeking to continually improve
- understanding what the risks and obstacles are;
- considering the likelihood of them occurring;
- looking to see what impact they might have;
- deciding whether DPC can bear the risk or not;
- looking to reduce, remove or transfer them; and
- Providing clear ownership of the risks.

DPC know that if it does not have effective management of risks it does not have effective management. As a pro-active Parish Council DPC are moving to become more risk aware and are committed to managing the risks. DPC want to get the right balance between progressing innovation and change on one hand and avoiding shocks and surprises on the other. Risks can either be 'strategic' where they are crucial to the high level success of the Parish Council as a whole or 'operational' where they are crucial to specific activities or projects which contribute to the overall success of the Council. DPC will regularly monitor risks and carry out a full risk assessment and management exercise annually.

This document identifies risks, assesses likelihood and impact and includes an action plan for managing risks. Likelihood and impact have been assessed on a Low –Medium – High scale. Clearly those risks that record a High-High or Medium-High score require the most careful monitoring and review including steps to reduce the risk for the coming year.

This document was considered and approved at Full Council 5-3-2015

Reviewed by Jan 16 R/15-16/

¹ DPC- Duston Parish Council



Making Duston a Great place to Live, Work and Play

DUSTON PARISH COUNCIL RISK ASSESSMENT

This document identifies risks, assesses likelihood and impact and includes an action plan for managing risks. Likelihood and impact have been assessed on a Low –Medium – High scale. Clearly those risks that record a High-High or Medium-High score require the most careful monitoring and an action plan to reduce the risk for the coming year.

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
1. Business Continuity	1. Incapacity of Parish Executive Officer (PEO) including impact of pandemic	Low/Med	Effective Staff Structure in place detailing deputising and that responsibilities are delegated. Ensuring where possible that the council is not person dependant.	Under constant review	Low/Med	PEO/Full Council(FC)
	2. Resignation of the Parish Executive Officer	Low/Med	Effective Staff Structure and recruitment policy in place. As per 1.1.	Annual review	Low/Med	PEO/FC
	3. Loss or theft of records	Low/Low	Copies of Minutes will be archived as per Archive Policy. All Full Council minutes from January 2014 are held on the Council's website	Archive Policy reviewed December 2015	Low/Med	PEO
	4. Failure to retain or secure the necessary number of Members for a Council	Low/Med	Maintain an up to date attendance register. Advertise for an election immediately a vacancy exists Co-opt Members where no election held	Ongoing	Low/Low	PEO

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
2. To ensure compliance with Acts of Parliament, Council's financial regulations and code of conduct	5. Resignation of Chair and Vice Chair 1. Lack of knowledge of regulations and codes 2. Absence of standing orders 3. Actions by the Parish Council outside its powers laid down by Parliament 4. Lack of commitment to regulations and procedures 5. Items purchased without proper tendering procedures not providing value for money or resulting in accusations of commercial favouritism 6. Payments made without prior approval and adequate control 7. Lack of control of signatories to cheques	Low / Med Low/High Low/High Low/High Low/High Low/Med Low/Med Low/Med	Process for election of replacement That a Code of Conduct, Standing Orders and Financial Regulations are in place and provide training where relevant. Ensure that Standing Orders are produced, adopted by Council and reviewed regularly. To be available at meetings. As at 2.1 above. Regular reference to appropriate regulations. Training all councillors and staff. Ensure that all councillors and staff 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. Reporting to Monitoring Officer for repeated offences. 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. Keep cash payments to a minimum, and avoid if possible. Four Councillors as authorised signatories approved by Council	As required Ongoing Revised standing Orders adopted January 2016 (R/15-16/) On going On going On going Revised November 2015	Low/Low Low/Med Low/Low Low/Low Low/Med Low/Low Low/Low	PEO/FC PEO PEO PEO PEO PEO PEO

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct (cont.)	8. VAT not properly accounted for, resulting in over claims and large demands from HMRC	Low/Med	Ensure appropriate publications held and that the Parish Executive Officer has current knowledge of regulations and appropriate advice sought.	On going	Low/Low	PEO
	9. Notice of meeting	Low/Med	The meeting calendar and Agendas are displayed on all notice boards and the website.	On going	Low/Low	PEO
	10. Approval of minutes	Low/Low	Minutes are approved at the next meeting of the Council/Committee. Refer to Standing Orders No 9.	On going	Low/Low	PEO
11. Register of Interests	Low/High	Members are required to declare an interest in any item of business and this is recorded in the minutes. Completed 'Members & Co-opted Members Disclosable Pecuniary Interests and Personal Interests' Forms are submitted to the Monitoring Officer and regularly reviewed.	On going	Low/Low	All Members PEO	
12. Security of Data	Low/High	Confidential documents are held in a locked cupboard. Internal Control Policy re IT.	On going	Low/Med	PEO	
13. Freedom Of Information	Low/High	The Council has adopted the model scheme and registered this with the Information Commissioner.	Adopted Oct 2012 Review date April 2016	Low/ Med	PEO	
3. To identify and regularly review the Council's priorities	1. Lack of knowledge of how to set objectives, set priorities, and identify risks to their achievement	Low/Med	All councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.	On going	Low/Low	PEO
	2. Lack of commitment by Council Members	Low/Med	Add risk assessment to agenda at least annually, reviewing particular items, and results against those items.	Review February 2016	Low/Low	PEO

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
	3. No risk analysis carried out	Low/High	As at 3.1 above. Ensure that completion of the risk assessment is given high priority, as a requirement of Audit.	Ongoing	Low/Low	PEO
	4. No steps taken to combat identified risks	Low/Med	As at 3.2 above.	Ongoing	Low/Low	All Members PEO
	5. Failure to prioritise in practice	High/High	All councillors and staff to be made aware that priorities must be set on the basis of the capacity of the Parish Council to deliver. Attend Training where appropriate.	On going	Low/Low	All Members PEO
	6. Impact of potential Public Spending Cuts	Med/Med	All councillors and staff to be made aware that priorities must be set on the basis of the financial capacity of the Parish Council to deliver. Attend Training where appropriate.	On going	Med/Med	All Members PEO
4. To influence Government and other organisations to fulfill the requirements of the Parish population	1. Lack of effective lines of communication with other organisations	Low/High	Note all communication lines that are essential or beneficial. Establish contacts by name and where possible face-to-face.	On going	Low/Low	PEO
	2. Lack of effective lines of communication with parishioners	Low/High	Develop a Communications and Engagement Strategy Take every opportunity to publicise the role of Parish Council	Events & Engagement Committee established November 2014. Ongoing	Low/Med	PEO All Members
	3. Lack of preparation on subjects requiring influence	Low/High	Ensure that all Councillors and staff are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion.	On going	Low/Med	All Members PEO

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5. To ensure that all councillors and staff are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks	1. Lack of knowledge of possible culpability of Councillors and staff 2. Lack of education of Councillors and staff regarding culpability 3. Inadequate insurance cover taken out – property, personal liability, employer's liability	Low/High Low/High Low/High	All projects with a value of £50K should have a minimum of 2 councillors, and the PEO on the project team. As at 5.1 above. Identify and direct councillors and staff to suitable training. Review risk assessment by including on agenda of Parish Council meetings at least annually. Ensure a risk assessment is carried out for all new assets and appropriate insurance cover considered.	On going On going Review September 2015	Low/Low Low/Low Low/Low	PEO Chair PEO All Members Chair PEO All Members
6. To keep appropriate books of account accurately and up-to-date throughout the financial year	1. Lack of knowledge of accounting requirements 2. Lack of commitment to accounting requirements 3. Bank charges unnecessarily incurred	Low High Low/High Low/Med	Ensure that all Councillors and staff are familiar with current financial regulations Regularly review financial regulations. As at 6.1 above. PEO to produce up to date financial reports at agreed intervals. Internal and External audit reports to be made available to all Councillors and any recommendations to be acted upon promptly. PEO to provide bank reconciliations monthly.	Reviewed February 2016 Financial Regulations adopted (R15-16/) On going On going	Low/Med Low/Low Low/Low	PEO Chair All Members PEO PEO

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
	4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations	Low/Med	PEO to ensure that accounts are formatted in such a way that internal controls are included and activated. Annual internal audits to provide advice on internal controls required.	On going	Low/Low	PEO Internal auditor
	5. Bankings	Low/Med	All bankings and drawing of cheques to be in accordance with Financial Regulations	On going	Low/Low	PEO
	6. Inaccuracies and interest losses caused by account transfers	Low/Low	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account.	Ongoing	Low/Low	PEO
	7. The most beneficial interest terms not being employed	Med/Med	Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts. Investment strategy to be developed.	To be reviewed May 2016	Low/Low	PEO
	8. Inadequate control of cash receipts and payments	Low/Med	Avoid cash payments and receipts if possible. Where cash payments and receipts are unavoidable use a properly controlled Petty Cash Impress System.	On going	Low/Low	PEO
	9. Books of accounts not kept up to date/ invoices not posted promptly	Low/Med	Regular update of accounts by PEO. Financial reports available at agreed intervals.	On going	Low/Low	PEO
	10. Internal controls not in place or not operated	Low/Med	Regular month end reviews taking place	On going	Low/Low	PEO
	11. Payments missed or delayed due to inadequate filing of invoices	Low/Med	All invoices to be checked and filed as pending on receipt and reported to next Parish Council meeting.	On going	Low/Low	PEO

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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	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	Low/High Low/High Low/High Low/Med Low/Med	Public consultation Effective budget planning processes. Creation of outline 2/3 year plan. As at 7.2 above Appointment of RFO (PEO) to create effective financial management. Public consultation. Effective financial management and prompt collection by RFO. Regular rate review. Internal audit checks. All Councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO/PEO.	On going On going On going On going On going	Low/Low Low/Low Low/Low Low/Low Low/Low	All Members All Members All Members PEO Internal Auditor All Members PEO
8. 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 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	Low/Med Low/Med Low/High Low/Med	Financial Regulations issued to all Councillors and staff. Place item on agenda early in year to remind councillors and staff of budget process and actions required. Delegate responsibility for managing budgetary process to a Finance Committee appointed by the Council As at 8.1 above Involve all Councillors in budgetary process. As at 8.1 above Start consideration of calculation at least 4 months prior to submission date Create annual and 2/3 year plans to assist in process. Checks by RFO/PEO and Internal Auditor.	Revised February 2016 Financial Regulations adopted (R15-16/) Ongoing Ongoing On going On going	Low/Low Low/Low Low/Low Low/Low	All Members PEO All Members PEO All Members PEO All Members PEO

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	5. Inadequate internal controls with regard to monitoring expenditure 6. Election Costs 7. Reserves too low	Low/Med Low/Med Low/Med	Financial and budget progress reports to Finance & Facilities Committee at agreed intervals. In an election year, estimated costs obtained from the Electoral Officer and included in the budget. In other years the Council budgets a sum to meet possible by-election or referendum costs. As at 8.5 above. General reserves to equal minimum 6 months operational costs. Earmarked reserves to be identified for specific projects as appropriate.	Quarterly Management Accounts produced On going On going	Low/Low Low/Low Low/Low	PEO All Members PEO All Members PEO All Members
9 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, funding streams 2. Maintenance of facilities Income. 3. Lack of commitment to pursue possible sources of income 4. Non receipt of sums claimed/invoiced. 5. Receipts not banked or not banked promptly. 6. Debts not pursued promptly 7. VAT claims not made promptly or made incorrectly	Low/Med Low/Med Low/Med Low/Med Low/Med Low/Med	Register with funding organisation and networking ongoing. Monitor and review Business Plan regularly. As at 9.1. Awareness of sources of grant funding. All funding applications and approvals reported through minutes to create an audit trail. Outstanding debtors chased over 90 days. Internal audit checks. Banking minimum weekly. As at 9.4 above. Ensure PEO has appropriate and up-to-date VAT official publications to include appropriate training and support. Internal audit checks.	On going On going On going On going On going On going	Low/Low Low/Med Low/Low Low/Low Low/Low Low/Low Low/Low	PEO PEO PEO PEO Internal Auditor PEO PEO PEO Internal Auditor

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<p>10. To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with Council regulations, and adequately monitored</p>	<p>1. Inappropriate pay scales used</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>Low/Med</p> <p>Low/High</p> <p>Low/High</p>	<p>Use appropriate LGA pay scale. Minimum pay the current Living Wage rate. A contract of employment and job description and person specification is agreed for all staff. Ensure employee regulations are available and understood by PEO.</p> <p>No additional payment without Council approval</p> <p>Liability reported through Council Minutes. Internal audit checks As at 10.1 above. Appoint Councilor to monitor contract work carried out. Internal audit checks – see 5.1</p>	<p>On going</p> <p>On going</p> <p>On going</p>	<p>Low/Low</p> <p>Low/Low</p> <p>Low/Low</p>	<p>All Members PEO Chair</p> <p>PEO Internal Auditor</p> <p>PEO Internal Auditor All Members</p>
<p>11. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail</p>	<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>Low/High</p> <p>Low/High</p> <p>Low/High</p> <p>Low/High</p>	<p>Financial regulations and Standing Orders are available. Attend training seminars where appropriate. Timetable to be agreed. Internal audit to be diarised. As 11.2</p> <p>Internal controls and audit checks</p>	<p>Revised Financial Regulations February 2016 (R15-16/ -)</p> <p>Internal Audit visit May 2016</p> <p>As above</p> <p>On going</p>	<p>Low/Low</p> <p>Low/Low</p> <p>Low/Low</p> <p>Low/Low</p>	<p>PEO</p> <p>PEO Internal Auditor</p> <p>PEO Internal Auditor</p> <p>PEO Internal Auditor</p>

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
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	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	Low/High Low/High Low/High Low/High	Ascertain and record all assets for which Parish Council is responsible. Maintain asset register and include in final accounts. Establish who is responsible for security and maintenance of each asset. Regular monitoring of location and use of assets. Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks. Maintain asset register in accordance with Audit and insurance.	On going On going On going On going	Low/Low Low/Low Low/Low Low/Low	PEO PEO PEO PEO
13. To comply with appropriate Gov. 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	Low/High Low/Med Low/High	PEO to have appropriate legislation available. Review liabilities and responsibilities periodically at Parish Council meetings. Include, as appropriate, in any public consultations. As at 13.1 above. Staff and councillor training on all new regulations as appropriate.	On going On going On going	Low/Low Low/Low Low/Low	PEO PEO PEO
14. To carry out adequate safety checks on all buildings,	1. Lack of information on properties, buildings and equipment	Low/High	Ensure that all current legislation and advice is held by the PEO. Include in asset register all properties and assets for which Parish Council is responsible. Ensure all assets and details of all risks are adequately detailed with insurance company.	On going	Med	PEO

Aim	Risk	Likelihood /Impact	To Minimise Risk	Action	Mitigated Risk	Person(s) Responsible
properties, and equipment for which the council is responsible	2. Lack of knowledge of safety requirements or commitment to carrying out safety checks	Low/High	Ensure that all current legislation and advice is held by the PEO. Health & Safety Action Plan to be in place and monitored.	On going	Low/Low	PEO