

MILBORNE PORT PARISH COUNCIL**RISK ASSESSMENT – May 2023****Introduction**

This document has been produced to enable Milborne Port Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimize them.

Risk Management

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Milborne Port Parish Council is risk averse therefore the Risk Management Policy is to minimise risk wherever practicable and mitigate the risk whenever it is not practicable. The Policy is achieved through a Risk Management Methodology based on a regular recorded assessment and involves:

- Identifying the areas to be reviewed;
- Identifying what the risk may be;
- Evaluating the management and control of the risk and recording all findings;
- Reviewing, assessing and revising specific risks whenever a change in circumstances warrants it, and
- Periodically conducting a full risk review.

Subject	Risk(s) Identified	Risk Likelihood H/M/L	Impact H/M/L	Management of Risk	Review/Assess/Revise
FINANCE					
Precept	Inadequacy of Precept	L	M	To determine the amount of precept required by the Parish Council annually, the RFO prepares a budget taking into account all anticipated expenditure and income for the following year. Between September and December each year the Committees review their budget and make a recommendation to the January meeting of Full Council. At the January Full Council meeting the Parish Council formally agrees the precept amount following a recommendation from the RFO who uses the recommendations from the Committees. The Parish Clerk then makes the request formally to Somerset Council before Somerset Council's deadline (normally mid-January). The RFO provides each committee meeting with statement of income and expenditure against budget in order to expose any potential precept short comings sufficiently early to adopt remedial	

				action (such as revision or deferral of planned activities so as to bring anticipated overall annual spend back within the available budget).	
Staff Illness	The council not being able to function, pay staff / invoices	L	M	The council should ensure it has adequate cover in all areas of the council's functions.	
Financial Records	Inadequate records Financial irregularities	L	M	<p>The Council has adopted the latest model of the Financial Regulations in January 2021, this was re-adopted in May 2022 which set out the requirements and framework within which to work.</p> <p>A monthly reconciliation is carried out by the RFO and is checked and signed off by a member (this is rotated as recommended by the Internal Auditor), it is verbally confirmed to the Council that this action has taken place.</p> <p>The records are audited annually by both an internal and external auditor. Two members are required to sign all cheques, these Members are appointed annually by Full Council. Budgets / payments are resolved at council meetings and are minuted, all payments made are received by Full Council. Records are kept online in the Scribe accounting software package.</p>	
Cash	Loss through theft or dishonesty	L	L	<p>The Parish Council does not handle cash on a daily basis and has no petty cash system.</p> <p>The Council receives cash and cheques for allotment rents during January each year. All monies received are immediately recorded on the allotment list and stored in a locked metal cash box until they are banked – normally on a biweekly basis. The cash box and the cash box key are stored separately and access to both is strictly controlled. Very occasionally cash is received at other times of year, for example for payment of cemetery fees – all payments are receipted and recorded and subsequently banked as soon as possible after receipt.</p> <p>Paying in cash and cheques into the council's bank account has become prohibitively difficult since Barclays closed in Sherborne. All businesses who need to make payment to the council are now</p>	

				required to do so by BACS or pay the cheque into the council's account themselves.	
Direct costs and overhead expenses	Goods invoiced but not supplied. Invoice incorrect. Cheque payable incorrect. Cheque payable to wrong party. Unpaid invoices.	L	L	Standing Orders and Financial Regulations have been adopted. Following approval of expenditure by the Parish Council or Parish Clerk, the RFO verifies orders with suppliers. Following satisfactory receipt of the service/goods the invoice values are verified and a cheque raised ready for signature by the Council. A summary of cheques to be issued (Payment schedule) is produced for each Full Council meeting; these are cross checked against invoices and signed by two signatories. Records of invoices paid, and corresponding cheques issued are maintained by the RFO and are audited by the Internal Auditor.	
VAT	Failure submit VAT claim on time	L	L	A Council has 3 years to make a reclaim, so this is unlikely to happen. The RFO submits reclaim forms on a six-monthly basis. The accounting software would highlight any VAT that was yet to be claimed back. The Internal Auditor checks that claims have been made.	
	Failure to reclaim all VAT paid	L	L	All VAT charged is imputed into the accounting software, this would highlight any VAT that had not been reclaimed. As VAT records are retained in accordance with HMRC regulations, comparison with previous years can also be used to highlight potential discrepancies in amounts being reclaimed. The Internal Auditor also annually checks the VAT reclaim.	
Annual Return	Not submitted within time limits	L	M	The Parish Clerk maintains a diary which includes dates for key activities to be started, completed, presented to Council, and subsequently submitted. The Annual Accounts and Annual Return are completed by the RFO in April each year and agreed by the Council at the May Annual Council Meeting and are then submitted to the External Auditor. The Council need to allow the Clerk the time to undertake this procedure in April.	

	Not submitted correctly	L	M	The Annual Accounts and Annual Return are completed by the RFO in April each year, the accounts are then submitted to the Internal Auditor for scrutinisation and signing, before been taken to the Annual Council meeting in May. They are then submitted to the External Auditor within the time limit specified on the Annual Return paperwork. The Chairman should satisfy themselves that this has been done by the RFO and the RFO allowed the time to undertake the procedure.	
Staff	Income Tax and National Insurance liabilities	L	L	Following changes (with effect from April 2011) to HMRC guidance on the tax treatment of payments made by Parish Councils to their Clerks, the Parish Council must operate a PAYE system for both tax and NIC purposes on income paid to any employed staff members. This is checked by the two cheque signatories monthly and the Internal Auditor.	
	Wrong rate of pay	L	L	Staff remuneration is set out in the employees' contract and is reviewed annually at appraisal, any change is ratified by the HR Committee. The SCP rate of pay is determined by an annual review of the national pay scales by an appointed national body. This is then checked monthly by two cheque signatories and annually by the Internal Auditor.	
	Fraud	L	H	The Parish Clerk is not authorised to sign cheques. All payments are checked by two members of the Council and the bank reconciliation is checked monthly by a rotating member. Fidelity Insurance is also in place.	
Councillors Allowances/ Expenses	Over-payment	L	L	Any allowance claimed by a Councillor is approved by Full Council. Where out of pocket expenses have been incurred by a Councillor these are reimbursed and checked by two members of the Council.	

Election Costs	Risk of unbudgeted election cost	L	L	For the 2023/24 budget the council no longer felt it necessary to budget for a contested election. The Internal Auditor was consulted and agreed that given the council's healthy reserves and the fact there had been no by-elections called in the last 4 years, it was being over cautious to budget for.	
	Risk of inaccurate election cost forecast	L	L	The Parish Clerk obtains an estimate of cost from Somerset Council for a fully contested election and compares it with the costs associated with past Milborne Port Parish Council elections, checking for consistency. The next elections are due in May 2027	
LIABILITY					
Legal Powers	Illegal activity or payment	L	H	All activity and payments made must be within the power of the Parish Council, resolved and clearly minuted. The Parish Clerk immediately draws any potential or perceived illegality to the attention of the Chairman of the Parish Council and seeks advice from the Somerset Association of Local Councils if required. The Internal Auditor checks for the same.	
Minutes/ Agendas/ Statutory Documents	Accuracy and legality Non-compliance with statutory requirements	L	H	Minutes are produced by the Parish Clerk (or committee Officer) and issued in draft to the committee Chairman for their review, then to all Members of the committee for comment. Minutes are then approved at the next subsequent meeting and signed off by the Chairman as an accurate record. Signed minutes are maintained by the Parish Clerk and kept in parish council's records. Approved minutes are uploaded onto the council's website for public referral. Agendas are displayed on the public noticeboard and website, in accordance with legal requirements and according to the adopted Standing Orders.	
Members' Interests	Conflict of interest	L	M	A standard agenda item at all meetings calls for members of the Council to declare any 'Pecuniary' or 'Other' interests they may have in respect of any matters under discussion. A register of members' interests is held by Somerset Council and should be reviewed and updated by individual members and re-submitted within 28 days if any change occurs. The Clerk is available as an initial point of contact for Members	

				wanting advice with potential conflicts of interest. Members should submit themselves to regular Code of Conduct training.	
Insurance	Adequacy Cost	L	M	An annual review is undertaken of all insurance arrangements in place at the Annual Council Meeting and is approved by Members.	
Freedom of Information Act	Non-Compliance with the Act	L	L	A publication scheme is in place and any requests received are acted upon by the Parish Clerk. The Chairman is notified of any requests and in the event that there is the potential for non-compliance, appropriate advice would be sought.	Freedom of Information Act
ASSETS					
Assets	Loss or damage Risk to third party, property or individuals	M	H	An annual review of the asset register is undertaken. Insurance is held at the appropriate level for all items and the level of cover is reviewed annually. The Council also holds Public Liability Insurance. Monthly visual inspections of the play areas are carried out and recorded. Quarterly full inspections of the play areas are carried out by a qualified inspector, recorded, and reported to the Management Committee.	A new asset register has now been drafted that now lists all of the council's assets.
DATA PROTECTION					
GDPR	GDPR breach, Non-compliance with GDPR Regulations 2018	H	M	GDPR policy in place. The Clerk has had training on the GDPR regulations. Training for Councillors is available. Compliance with GDPR is a statutory requirement.	