

## BOURNE TOWN COUNCIL RISK ASSESSMENT

Reviewed 17.06.2016

### Mission Statement of Bourne Town Council:

To provide services for, and manage and maintain the assets of, the Parish of Bourne within the resources provided by the annual precept and 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
<p><b>1.</b> To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	1. Lack of knowledge of regulations and codes.	Make all Councillors aware of relative Acts (copies are kept in office), and make sure they have copies of Code of Conduct, and Standing Orders. Highlight essential parts and encourage for available training to be used.	Chair of BTC PO
	2. Absence of standing orders	Ensure that Standing Orders are produced, understood by councillors, and reviewed every couple of years	Chair of BTC PO
	3. Actions by the TC outside its powers laid down by Parliament.	As at 1 above, but ensure that powers are highlighted.	Chair of BTC PO
	4. Lack of commitment to regulations and procedures.	Councillors to ensure that they make themselves aware of regulations and responsibilities and endeavour to attend. Available training.	Chair of BTC All councillors PO
	5. Items purchased without proper tendering procedures, resulting in accusations of commercial favoritism.	Follow procedures as laid down in Financial Regulations and Standing Orders	PO RFO
	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.	Proper Officer RFO
	7. Lack of control of signatories to cheques.	Keep authorised signatories to a minimum consistent with practicalities. (Any 2 from 4)	PO RFO
	8. VAT not properly accounted for, resulting in overclaims and large demands from C&E.	Ensure appropriate publications held and that Clerk has good knowledge of regulations. Claim VAT refund on a regular basis (quarterly)	PO RFO Chair of BTC

<p>2. 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. Attend training sessions.</p> <p>Add risk assessment to agenda at least annually, 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; a requirement of the Accounts and Audit Regulations</p> <p>As at 2. Above.</p>	
<p>3. To influence other council departments and Government organisations to fulfil the requirements of the Parish population.</p>	<p>1. Lack of effective lines of communication with other organisations.</p> <p>2. Lack of effective lines of communication with parishioners.</p> <p>3. Lack of preparation on subjects requiring influence.</p> <p>4. Lack of confidence by Parish Councillors.</p>	<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. (Contact list attached)</p> <p>Take every opportunity to publicise role of Parish Council by using quarterly newsletter. Effective use of Notice Boards, Open Forum and press. Use key issues to raise profile of BTC and to test parishioner's views. Add social event to occasional meeting. Create Annual PC plan and put to parishioners for comment.</p> <p>Ensure that all councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion.</p> <p>As at 1. Above. Experienced councillors to assist newcomers to establish essential contacts. Delegate responsibility for specific contacts to individual councillors (as representatives on committees) Induction programme for new councillors</p>	<p>Chair of BTC PO</p> <p>PO</p> <p>PO RFO</p> <p>Chair of BTC PO All Councillors HR&amp;G</p>

<p><b>4.</b> To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.</p>	<p>1. Lack of knowledge of possible responsibility of councillors.</p> <p>2. Lack of education of Councillors regarding responsibility.</p> <p>3. Inadequate insurance cover taken out – property, personal liability, employer’s liability.</p>	<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 responsibility. Attend any training courses available.</p> <p>Review risk assessment by including on agenda of TC meetings at least annually. Delegate responsibility for keeping up-to-date with insurance requirements to Proper Officer (PO).</p>	
<p><b>5.</b> To keep appropriate books of account accurately and up-to-date through out the financial year.</p>	<p>1. Lack of knowledge of accounting requirements</p> <p>2. Lack of commitment to accounting requirements.</p> <p>3. Bank charges unnecessarily incurred</p> <p>4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations.</p> <p>5. Inaccuracies and interest losses caused by account transfers.</p> <p>6. The most beneficial interest terms not being employed.</p>	<p>Ensure that all councillors are familiar with current financial regulations and include them in standing orders. Regularly review standing orders. RFO to take overall responsibility for financial management.</p> <p>As at 1. above. RFO to produce financial reports for meetings of the Finance and General Purposes Committee. Internal audit report to be made available to all councillors and any recommendations to be acted upon promptly.</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>RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required.</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>Ensure that favorable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.</p>	

	<p>7. Inadequate control of cash receipts and payments.</p> <p>8. Books of account not kept up to date/ invoices not posted promptly.</p> <p>9. Internal controls not in place or not operated.</p> <p>10. Payments missed or delayed due to inadequate filing of invoices.</p> <p>12. Clerk taken ill or leaves without replacement</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>Regular checks by RFO and internal auditor. Financial reports at all meetings of the Finance and General Purposes Committee.</p> <p>As at 8. above.</p> <p>As at 8. above.</p> <p>Ensure that Deputy Clerk is fully trained and familiar with all aspects of financial matters.</p>	
<p><b>6.</b> 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>1. Lack of knowledge of wishes of residents.</p> <p>2. Use of funds not giving value for money.</p> <p>3. Use of funds not in accordance with the wishes of the residents</p> <p>4. Charges for use of facilities inadequate.</p> <p>5. Fund raising not properly controlled or not in accordance with regulations.</p>	<p>As at 3.2</p> <p>Effective budget planning processes.</p> <p>As at 3.2</p> <p>Appointment of RFO to create effective financial management.</p> <p>Internal audit checks</p> <p>Effective financial management by RFO.</p> <p>Annual Review of charges.</p> <p>Internal audit checks.</p> <p>All councillors to be aware of need to check regulations before commencing fund-raising activities.</p> <p>Effective financial management by RFO.</p>	
<p><b>7.</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.</p>	<p>1. Lack of knowledge of budgetary process, and Council regulations.</p>	<p>Include regulations in Standing Orders issued to all councillors.</p> <p>Place item on agenda early in year to remind councillors of budget process and actions required.</p> <p>Delegate responsibility for managing budgetary process to Chair and Vice-Chair of appropriate committees and RFO.</p>	

	<p>2. Lack of commitment to budgetary process.</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. Reserves too low.</p>	<p>As at 1. above Involve all councillors in budgetary process not solely the clerk.</p> <p>Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing budgetary process to Chair and Vice-Chair of Finance &amp; General Purposes Committee and RFO. Start consideration of calculation at least 4 months prior to submission date</p> <p>Checks by RFO and Internal Auditor.</p> <p>Checks by RFO and Internal Auditor. Quarterly financial and budget progress reports to Finance and General Purposes Committee meetings.</p> <p>As at 5 above.</p>	
<p><b>8.</b> To explore all possible sources of income, and to ensure that expected income is fully received.</p>	<p>1. Lack of knowledge of possible sources of income e.g. grants.</p> <p>2. Lack of commitment to pursue possible sources of income.</p> <p>3. Receipts not banked or not banked promptly.</p> <p>4. Debts not pursued promptly.</p> <p>5. VAT claims not made promptly or made incorrectly.</p>	<p>Members and officers to bring information to council's attention.</p> <p>As at 1.</p> <p>Regular checks by 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><b>9.</b> 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 rate of pay to employees.</p>	<p>Ensure employee regulations are available and understood by Clerk. Checks by RFO &amp; Internal Auditor. Internal audit checks</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>As at 1 above.</p> <p>Internal audit checks Checks by RFO Clerk to monitor contract work carried out.</p>	
<p><b>10.</b> 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>Include financial regulations in Standing Orders. Attend training seminars where available.</p> <p>Include a timetable in Standing Orders. RFO to monitor progress against timetable and report to meetings of Finance &amp; General Purposes Committee.</p> <p>Checks by RFO Internal audit checks</p> <p>As at 3 above.</p>	
<p><b>11.</b> 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.</p>	<p>1. Lack of knowledge of assets of Parish Council.</p> <p>2. Assets lost or misappropriated</p> <p>3. Inadequate or inaccurate valuation of the council's assets.</p> <p>4. Asset register not established or inadequately maintained.</p>	<p>Ascertain and record all assets for which Town Council is responsible. Maintain permanent asset register.</p> <p>Establish who is responsible for security and maintenance of each asset. Clerk responsible for regular monitoring of location and use of assets.</p> <p>Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.</p> <p>Create asset register in accordance with Accounts and Audit Regulations requirements.</p>	
<p><b>12.</b> To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.</p>	<p>1. Lack of knowledge of applicable legislation</p> <p>2. Lack of public awareness of applicable legislation.</p>	<p>Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at meetings of the Finance &amp; General Purposes Committee.</p> <p>Include, as appropriate, in any publicity material.</p>	

	3. Failure to comply with applicable legislation.	As at 1 above	
<b>13.</b> To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.	<p>1. Lack of information on properties, buildings and equipment.</p> <p>2. Lack of knowledge of safety requirements.</p> <p>3. Lack of commitment to carrying out safety checks.</p>	<p>Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties for which Town Council responsible.</p> <p>Ensure that all current legislation and advice is held by Clerk. Place subject as item on appropriate committee meeting agenda at regular intervals.</p> <p>As at 2. above. Delegate review for particular properties to a Working Party.</p>	
<b>14.</b> To ensure the council's functions are not adversely affected due to unforeseen absence of employees	<p>1. One or more of the council's sites being short staffed or without staff at any one time</p> <p>2. Remaining employee/s not able to cope with the scope of the work</p> <p>3. The execution of the Council's functions suffering, especially from an administrative point of view.</p>	<p>Ensure that the council's workforce is adaptable to more than one location and is willing/capable to provide cover in other areas if necessary</p> <p>As above</p> <p>Ensure that Deputy Town Clerk's training matches that of the Town Clerk to allow for competent coverage for any absence by the Town Clerk.</p>	
15. Speedy recovery following some form of disaster	Council's inability to function and fulfil its legal obligations as an employer and representative of the people.	<p>Due to the lack of a disaster recovery plan for the council one should be created and then reviewed regularly. This plan should cover all aspects of the council's functions</p> <p>Duplicate Backups for PCs to be made on a regular basis and alternatively one to be kept off site</p>	<p>F&amp;GP</p> <p>Town Clerk</p>