

**CHOLSEY PARISH COUNCIL RISK ASSESSMENT**

**Document History**

<b>Version</b>	<b>Date</b>	<b>Details</b>
<b>1</b>	<b>16/02/2015</b>	<b>Reviewed by Council</b>
	<b>07/03/2018</b>	<b>Reviewed by Council</b>
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	<b>04/05/2022</b>	<b>Reviewed by Council</b>
<b>2</b>	<b>25/10/2023</b>	<p><b>Reviewed by Council and amended as follows:</b></p> <p><b>Throughout – responsibilities updated to reflect roles of Committees and staff members</b></p> <p><b>Throughout – addition of priority level column to denote level of risk as recommended by internal auditor</b></p> <p><b>1.7. Addition of payment process between meetings</b></p> <p><b>2.1. Addition of Councillor training attendance</b></p> <p><b>2.2. Addition of regular review of financial risk assessment</b></p> <p><b>2.4. Addition of regular Finance Committee meetings</b></p> <p><b>3.2. Addition of effective use of web site and social media; addition of annual plan/5-year strategic plan</b></p> <p><b>3.3. Addition of all meeting papers circulated and read in advance of meetings</b></p> <p><b>4.3. Addition of insurance review process</b></p> <p><b>5.4. Addition of RFO carrying out monthly bank reconciliations</b></p> <p><b>5.7. Amendment to petty cash is not used. Staff debit cards.</b></p> <p><b>5.8. Addition of monthly bank reconciliation.</b></p> <p><b>5.10. Addition of RFO to file invoices in months paid.</b></p> <p><b>5.12. Addition of approved online account users; ‘How to’ notes; Clerk trained to use accounting systems; locum RFO options.</b></p> <p><b>9.2 Addition of reference to payroll provider.</b></p> <p><b>9.3. Addition of regular bank reconciliations; Estate Manager monitoring contract work; internal audit checks.</b></p> <p><b>11.2 Amendment to Finance Committee to be responsible for monitoring of assets (previously an ‘appointed Councillor’); addition of Clerk/RFO to ensure appropriate insurance.</b></p> <p><b>12. Deletion of previous section 12 on advice of internal auditor – not required in financial risk assessment</b></p> <p><b>12. (13. in previous version) Amendment to reflect role of Estate Manager in safety checks</b></p>

**Mission of Parish Council:**

To provide services for, and manage and maintain the assets of, the parish of Cholsey 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	Responsibility	Priority level
<p>1. To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	<p>1. Lack of knowledge of regulations and codes.</p> <p>2. Absence of standing orders</p> <p>3. Actions by the PC outside its powers laid down by Parliament.</p> <p>4. Lack of commitment to regulations and procedures.</p> <p>5. Items purchased without proper tendering procedures, resulting in accusations of commercial favoritism.</p> <p>6. Payments made without prior approval and adequate control.</p> <p>7. Lack of control of signatories to cheques.</p>	<p>Ensure that all Councillors have access to copies of relative Acts, Code of Conduct, and Standing Orders.</p> <p>Highlight essential parts and provide training where possible.</p> <p>Ensure that Standing Orders are produced, understood by councillors, and reviewed towards the end of council's term of office.</p> <p>As at 1 above, but ensure that powers are highlighted or extracted into effective summary.</p> <p>Regular reference to appropriate regulations in agenda items.</p> <p>Delegation of responsibilities to individual councillors.</p> <p>Ensure that all councillors are aware of regulations re estimates and full tender procedures. Refer to Financial Regulations.</p> <p>Ensure all payments are approved in Council meetings and recorded in minutes. Or, if payment is required between meetings, payments are approved by the Finance Committee by email and records kept. Keep cash payments to a minimum, avoid if possible. Keep authorised signatories to a minimum consistent with practicalities.</p>	<p>Chair, Clerk</p> <p>Chair, Clerk</p> <p>Chair, Clerk</p> <p>Chair</p> <p>All councillors Clerk Chair</p> <p>RFO Finance Committee</p> <p>RFO</p> <p>RFO</p>	<p>2</p>
<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>All councillors to be made aware of need for objectives and identification of risk.</p> <p>Councillors to attend training sessions to understand roles and responsibilities.</p>	<p>Chair/ all councillors</p>	<p>3</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>Add financial risk assessment to agenda at least annually at the first meeting of the Council, reviewing particular items highlighted by council staff/finance committee</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. Also, hold regular finance committee meetings and assign tasks to reduce risk.</p>	<p>Chair/ Clerk</p> <p>Chair/ all councillors</p> <p>Chair/ members</p>	
<p><b>3.</b> 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>Note all communication lines which are essential or beneficial and make information available to all councillors and relevant organisations. 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. Effective use of notice boards, leaflets, web site and social media. Use key issues to raise profile of PC and to test parishioners' views. Create annual plan/5 year strategic plan.</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. Ensure that all meeting papers are circulated in advance and read by Councillors.</p>	<p>Clerk, Chair, RFO</p> <p>Clerk, Chair, RFO.</p> <p>Chair, Clerk</p> <p>Chair, Clerk</p>	<p>3</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 culpability of councillors.</p> <p>2. Lack of education of Councillors regarding culpability.</p> <p>3. Inadequate insurance cover taken out – property, personal liability, employers liability.</p>	<p>Creation of standing orders and familiarisation with those where greatest risk occurs.</p> <p>As at 1. above. Attend training courses regularly.</p> <p>Review insurance cover by including on agenda of PC meeting annually. Clerk/RFO to annually review with insurers before renewal. Keep an up-to-date and detailed Asset Register.</p>	<p>Clerk, Chair</p> <p>Clerk, Chair</p> <p>Clerk, RFO, Chair</p>	<p>2</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>Ensure that all councillors are familiar with current financial regulations and include them in standing orders. Regularly review standing orders. Appoint an RFO to take overall responsibility for financial management.</p> <p>As at 1. above. RFO to produce quarterly financial reports along with budget reports. Internal audit reports 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. RFO to carry out monthly bank reconciliations.</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 favourable interest rate is obtained in</p>	<p>Clerk, Finance Committee &amp; RFO.</p> <p>Clerk, Finance Committee &amp; RFO.</p> <p>Clerk, Finance Committee &amp; RFO</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee &amp; RFO</p>	<p>1</p>

	<p>6. The most beneficial interest terms not being employed.</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 owing to inadequate filing of invoices.</p> <p>12. RFO taken ill or leaves without replacement</p>	<p>deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.</p> <p>Petty cash is not kept or used. RFO &amp; Clerk to have council debit cards.</p> <p>Regular checks by RFO and internal auditor. RFO to reconcile bank accounts monthly on financial software. Financial reports as per 5.2 above</p> <p>As at 8. above.</p> <p>As at 8. above. RFO to file invoices in months paid.</p> <p>Appoint a Finance Committee to be familiar with all aspects of financial matters. Have a number of approved online account users. RFO provides 'How to' guide to be held securely. Clerk is trained to use accounting software. Locum RFO options researched regularly.</p>	<p>RFO</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee, Clerk &amp; RFO</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>4. Charges for use of facilities inadequate.</p> <p>5. Fundraising not properly controlled or not in accordance with regulations.</p>	<p>As at <b>3.2</b></p> <p>Ensure residents are consulted on all major financial spends.</p> <p>Effective budget planning processes and tendering processes</p> <p>Effective financial management by RFO. Internal audit checks. Charges to be annually reviewed.</p> <p>All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.</p>	<p>Chair, Clerk &amp; Councillors.</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee &amp; RFO</p> <p>Finance Committee, RFO &amp; all councillors.</p>	3
<p><b>7.</b> To ensure that the annual precept requirement results from an adequate budgetary process;</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>Chair/ all councillors</p> <p>Chair/ RFO</p>	2

<p>progress against the budget is regularly monitored; and reserves are appropriate.</p>	<p>2. Lack of commitment to budgetary process.</p> <p>3. Inadequate consideration of requirements for annual precept.</p> <p>5. Inadequate internal controls with regard to monitoring expenditure.</p> <p>6. Reserves too low.</p>	<p>Delegate responsibility for managing budgetary process to the RFO, with assistance from the Clerk &amp; Finance Committee.</p> <p>As at 1. above Involve all councillors in budgetary process not solely the RFO.</p> <p>Place item on agenda early in year to remind councillors of need for a precept. Delegate responsibility for managing budgetary process to RFO, with assistance from the Clerk &amp; Finance Committee. Start consideration of calculation at least 4 months prior to submission date</p> <p>Checks by RFO and Internal Auditor. Financial and budget progress reports to PC meetings.</p> <p>Checks by RFO and Internal Auditor.</p>	<p>Chair/ RFO</p> <p>Clerk, RFO &amp; Finance Committee.</p> <p>Finance Committee &amp; RFO.</p> <p>Finance Committee &amp; RFO</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>Appoint RFO or a councillor as Grants Officer to gain experience and seek advice of relevant agencies of all grants available and application procedures.</p> <p>As at 1.</p> <p>RFO to regularly pay-in any cash and cheques received. Internal audit checks.</p> <p>RFO to keep records of receipts due. Estate Manager to pursue allotment holder receipts due.</p> <p>RFO to do VAT claims regularly throughout the financial year. Regular checks by Finance Committee. Internal audit checks.</p>	<p>Clerk, RFO &amp; Finance Committee.</p> <p>Clerk, RFO &amp; Finance Committee.</p> <p>Chair &amp; Finance Committee</p> <p>Chair &amp; Finance Committee</p> <p>Finance Committee &amp; RFO</p>	<p>3</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>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>Ensure employee regulations are available and understood by the Clerk, RFO &amp; staffing committee. Checks by Finance Committee. Internal audit checks</p> <p>As at 1 above. Advice taken from payroll provider.</p> <p>Checks by Finance Committee &amp; regular bank reconciliations by RFO. Estate Manager to monitor contract work carried out &amp; inform the RFO if payments require amendment. Internal audit checks.</p>	<p>Finance Committee &amp; RFO</p> <p>Clerk, RFO &amp; Finance Committee</p> <p>Finance Committee &amp; RFO</p>	<p>2</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>Overview by Finance Committee.</p> <p>Internal audit checks and Finance Committee meetings.</p> <p>As at 3 above.</p>	<p>Finance Committee &amp; RFO</p> <p>Clerk &amp; RFO.</p> <p>Clerk, RFO &amp; Finance Committee</p> <p>Clerk, RFO &amp; Finance Committee</p>	<p>1</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>Ascertain and record all assets for which Parish council is responsible. Create permanent asset register.</p> <p>Establish who is responsible for security and maintenance of each asset. Finance Committee responsible for regular monitoring of location and use of assets. Clerk/RFO to ensure appropriate insurance is held.</p> <p>Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks.</p>	<p>Clerk &amp; RFO</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk &amp; RFO</p>	<p>1</p>

	4. Asset register not established or inadequately maintained.	Create asset register in accordance with Audit Commission requirements.		
<b>12.</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 carry out safety checks</p>	<p>Ensure that all current legislation and advice is available. Include in asset register all properties for which PC responsible. Estate Manager to be responsible for safety and maintenance of all PC property.</p> <p>Ensure that all current legislation and advice is held by Clerk or Estate Manager Place subject as item on PC meeting agenda at regular intervals.</p> <p>Work to be included Estate Manager's job description.</p> <p>Annual playground safety inspection by RoSPA Weekly inspections by council staff. Records kept.</p>	<p>Clerk, Estate Manager &amp; Council</p> <p>Clerk, Estate Manager &amp; Council</p> <p>Clerk &amp; Estate Manager</p> <p>Estate Manager</p>	1