

**West Hoathly Parish Council**  
**Risk Assessment Reviewed 20<sup>th</sup> May 2024- minute ref: 2409/11g**  
**1. Risks managed by Insurance Provision**

<b>Item</b>	<b>Level of Risk</b>	<b>Risk</b>	<b>Internal Control</b>	<b>Management</b>
Protection of Council's physical assets	M	Loss or damage	Asset Register Asset reviews by handyman and specialist playground contractors Regular review of maintenance requirements by full Parish Council or appropriate committee	<b>Insurance cover (loss or damage)</b> reviewed annually in June by Parish Council. See asset register for detail of items covered. <b>Hirers liability £2,000,000</b>
Protection against damage to third party property or individuals	M	Loss or damage as a consequence of activities attributable to the Council, on its property or by its staff and/or officers acting on Council's business	Maintenance provision as above	<b>Public liability insurance of £12,000,000</b>
Protection against consequential loss	L	Losses incurred by the Council resulting from need to continue to provide essential services following critical loss or damage, loss or non-performance by a third party.	Review of Insurance provision annually with quotations from alternate service providers at least 3 yearly.	Consequential loss insurance reviewed annually in June by Parish Council. Legal cover for employment disputes included in insurance provision Legal cover for contract disputes ( <b>limit £500,000</b> )
Legal liability resulting from ownership of assets (see Asset Register)	M	Claims by public as a result of losses or damage arising from the Council's property	Review of Insurance provision annually with quotations from alternate service providers at least 3 yearly	Public liability insurance of £12,000,000.
Loss of cash or fraudulent issue of cheques	L	Losses of Council funds through dishonest activities or theft by Council staff or contractors	Payments set up by the clerk with 2 councillors as authorisers for all payments.	Financial Regulations Financial Risk Processes and Procedures

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Item	Level of Risk	Risk	Internal Control	Management
			Review and spot checks by Internal Auditor of Office procedures and accounts. Insurance Provision reviewed annually	Fidelity Guarantee of <b>£500,000</b> .
Employee injured at work or become ill due to work.	L		The clerk to provide employees with details of the Health & Safety policy and procedures and considerations for working alone in the Hall/Parish Office.	Employers' Liability insurance of £10,000,000 reviewed annually in June by Parish Council.

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**2. Risks managed in full or in part by others**

<b>Item</b>	<b>Level of Risk</b>	<b>Risk</b>	<b>Internal Control</b>	<b>External Provision</b>
Security of Assets	M	Village Hall	Access Key control procedures for Village Hall	Named Councillors and Regular Users with numbered keys. Ad hoc users sign for numbered key. Logged when returned
Maintenance of Council's assets and functions delegated to the Council	M	Village Hall, Public Toilets, Bus Shelters, Pavilion, North Lane Recreation Ground, Finche Field	Maintenance contracts are reviewed by the appropriate committee in terms of service and performance. Contracts are awarded after competitive tender from three suppliers according to the Financial Regulations.	Handyman employed by Parish Council to carry out minor repairs. All contractors are required to carry adequate public liability insurance. The clerk to ensure the contractor provides a copy of their insurance annually.
Maintenance of Council owned playgrounds	M	North Lane Recreation Ground Sharphorne Old Playground	Monthly inspections carried out. Necessary repairs carried out promptly	Inspection carried out by experienced company.
Banking	L	Investments, loan provision, short term credit and cash management	Finance committee advise on investments, loan provision and short term credit. Decisions taken by the Finance committee endorsed by Parish Council according to standing orders. Internal auditor to confirm financial transactions are according to the legal powers of the council.	Unity Trust Bank (current and deposit accounts) for Parish Council £72,900 held in Cambridge Building Society account to ensure within FSCS limits. £20,000 invested in in Business Bond
Financial and cash management	L	Fraud and/or corruption	Internal Audit procedures	External Audit

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			Regular reporting against budget with quarterly monitoring and review Documented Financial Risk Processes and Procedures in place.	
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**3. Self-managed risks**

Internal Controls for Self Manged Risks are documented in more detail as Appendices

<b>Item</b>	<b>Level of Risk</b>	<b>Risk</b>	<b>Internal Control</b>
Financial Records	M	Breach of legal requirement	RFO and Internal Auditor to assure Chairman all legal requirements are met.
Legality of Activities	M	Breach of Legal Authority	All councillors are appraised of legal powers and constraints applying to the Council.
Employment & Inland Revenue	L	Non-compliance with law and regulation	All employees have a contract of employment which is reviewed annually by 2 members of the Council appointed to that task The RFO makes monthly returns to the Inland Revenue
Customs & Excise	L	Non-compliance with VAT regulations	The RFO is aware of VAT regulations and makes the appropriate returns every six months.
Council tax – Precept	M	Inadequate provision	The Precept is calculated, agreed and minuted by the Council It follows a structured budgeting process by each spending committee. The consolidated draft budget is reviewed by the Finance committee and full Parish Council before final approval by full Council. A quarterly review of performance against budget provided to the Parish Council.
Recorded minutes	L	Proper, timely & accurate recording	Draft minutes of Committees and Council are circulated to members within two weeks of the meeting. They are approved at the following meeting of the Committee or Council.
Electors rights of inspection	L	Availability of minutes.	All draft Committee or Council minutes and papers are available via the website or for inspection within office hours on Tuesdays and Thursdays in the Parish Office at West Hoathly Village Hall.
Members interests, gifts & hospitality	L	Inadequate registration	All councillors have received instruction in the requirements for Members Interests as part of the Code of Conduct and completed a register of interests form which is available on the website or for inspection in the Parish Office. Councillors review on an annual basis

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Item	Level of Risk	Risk	Internal Control
Documents	L	Document Control	Minutes are controlled documents with a system of pagination and approval. Minutes record decisions and progress on those decisions
Code of Conduct	L	Adherence to Code	There is a written code of conduct to which all councillors signify their acceptance There is also a code of conduct for council employees

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**Appendix A: Internal Controls for Self Managed Risks**

<b>Requirement</b>	<b>Control in place</b>
Safe & efficient arrangements to safeguard public money	See Appendix B: Financial Risk Processes and Procedures
Regular scrutiny of financial records & proper arrangements for the approval of expenditure	See Appendix B: Financial Risk Processes and Procedures
Recording in the minutes the precise powers under which expenditure is being approved	The Parish Council has the General Power of Competence  <b>22<sup>nd</sup> May 2023 Minute reference:</b> The council complied with the eligibility both for councillors elected and qualified clerk (CiLCA 2022) This power allows the council to do what an individual would do without breaking the law and as an eligible council the Council can use the powers given by the General Power of Competence and will use it as <b>the power of first resort</b> .
Regular employer returns to HM Revenue & Customs; contracts of employment for all staff, annually reviewed by the council; systems of updating records for any changes in relevant legislation	<b>The HMRC Basic PAYE Tool</b> is used monthly to submit returns to HMRC. Employees have an annual performance appraisal and contracts/pay is reviewed at this time. Any changes in legislation are brought to the Finance Committee and the full Parish Council for agreement.
Regular returns of VAT; training the responsible officers in matters of VAT and other taxation issues as necessary	VAT refunds are submitted every six months The RFO undertakes regular Finance update courses which include VAT issues.
Regular budget monitoring statements	See Appendix B: Financial Risk Processes and Procedures
Developing systems of performance management	Employees have an annual performance appraisal. This is carried out by 2 members of the Parish Council.
Procedures for dealing with and monitoring grants or loans made and received	The Council have the powers to award modest grants and donations to organisations with a local connection, or those that are directly involved in helping residents of West Hoathly parish. Each year the council agrees a budget for these grants and invites local organisations and groups to apply.

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Requirement	Control in place
	<p>The request for grant funding should not be retrospective.</p> <p>Any external grants applied for are reported on the Grants Application Monitoring spreadsheet which identifies the amount awarded, when received and how used.</p>
<p>Minutes properly numbered and paginated with a master copy kept in safekeeping</p>	<p>Each minute document has a unique reference number (yyxx The reference is included in the file name identified in the footer of each document along with the page number and number of pages. Within each council year minutes are numbered sequentially.</p> <p>The signed copy is kept in a binder, electronic copies are held on the West Hoathly Parish Council website <a href="http://www.westhoathly.gov.uk">www.westhoathly.gov.uk</a> and on the clerk's PC (since 1999).</p>
<p>Documented procedures to deal with enquiries from members of the public</p>	<p>Calls, letters and e-mails are dealt with as soon as practicable unless referred to the Parish Council or a committee. In such cases, acknowledgement of the enquiry is made where possible within 10 working days (noting that the clerk works part time 3 days a week)</p>
<p>Documented procedures for dealing with responses to consultation requests</p>	<p>Consultation requests are brought to the Parish Council who decides whether to make a response and whether to request a Committee respond on behalf of the PC. Once approved the response is submitted by the clerk and a copy retained on the computer for future reference.</p>
<p>Documented procedures for document receipt, circulation, response, handling &amp; filing</p>	<p>Most documents are now received via email. Where relevant these are forwarded to Council or Committee members as appropriate for consideration.</p> <p>Documents for action by administration are dealt with accordingly and filed when actions are completed.</p>
<p>Procedures in place for recording &amp; monitoring Member's interests and Gifts &amp; Hospitality received</p>	<p>A form is available for registering member's interests. Once completed the form is scanned (with signature redacted) and held on the clerk's computer and added to the PC website. All new Councillors, and after an ordinary election all Councillors must complete the form within 28 days. All members are</p>



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Requirement	Control in place
	<p>responsible for keeping the information current.</p> <p>At the beginning of each Council or Committee meeting members are asked to declare any interests pertinent to items on the agenda.</p> <p>Councillors review and, if necessary, provide a new Declaration of Interest Form at the start of each Council year.</p>
Adoption of codes of conduct for members and employees	<p>The Code of Conduct was reviewed and adopted in May 2023. This is re-adopted at the Annual meeting (May) of the Parish Council.</p> <p>Employee conduct is in accordance with their contract of employment and the approved Employee Code of Conduct.</p>

## **Appendix B: Financial Risk Processes and Procedures**

The council has reviewed the financial risks that it must self-manage and have the following processes and procedures in place.

### **1. Handling Cash**

The parish council does not handle cash on a daily basis. The only regular income is precept, bank interest, quarterly VAT returns, allotment rental, football match fees and Village Hall hire. These are either paid electronically into the relevant bank account or via cheque. If payment is by cash this is banked as soon as possible.

The council does not operate a petty cash system.

### **2. Banking arrangements**

The RFO and Clerk have access to view balances, transactions and set up on line payments for the Parish Council Accounts.

Four Councillors are approved bank authorisers and cheque signatories. Two signatures (out of the four) are required for any payment to be made by the bank.

### **3. Bank reconciliation**

At each monthly Parish Council meeting a year to date Bank Reconciliation, a year to date Payments and Receipts report are received along with the Schedule of Payments. Councillors have the opportunity to raise questions. On a quarterly basis a Financial Summary report is produced

### **4. Expenditure against Budget**

A Budget is prepared in November for the coming financial year. Each Committee reviews its likely expenditure and prepares a Committee level budget.

At the December Parish Council meeting the draft consolidated budget for the coming year is reviewed along with the impact the proposed budget will have on the council precept.

The final budget is approved at the meeting in January.

The most recent year to date report on Expenditure against Budget is reviewed at the relevant Committee meeting.

The Finance Committee reviews overall expenditure against budget on a half yearly basis.

### **5. Cash book records**

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The Cashbook and Reporting is carried out using Alpha Financial Software from RBS. This is operated on a Receipts and Payments basis and is updated as receipts are paid in and payments are made.

### **6. Financial Information Back-up**

All documents are held encrypted, on Microsoft Office 365 OneDrive servers. These servers are GDPR compliant.

### **7. Insurance review**

The insurance is reviewed annually in May and recommendations brought to the full Parish Council in June. The insurance premium is due on 1<sup>st</sup> July.

Following a review of parish council insurers the Council is currently operating a three year agreement with Zurich Municipal until the end of June 2023. At the end of this agreement a further review of parish council insurers will be carried out.

### **8. Employers liability**

The council employs a part-time Parish Clerk, a part-time RFO, a Parish Handyman and a Hall Cleaner. The council's insurance policy provides employer's liability cover of £10 million.

### **9. Public liability**

The council has public liability cover to £10 million under its policy.

### **10. Fidelity guarantee**

The council has fidelity guarantee cover to £150,000.

### **11. Hirers Liability.**

The council has hirer's liability cover to £5 million.

### **12. Legal Expenses.**

The council has cover for employment disputes and compensation awards and contract disputes to a limit of £500,000.

### **13. Contracts and tendering**

The council has a Standing Order in place for contracts with an estimated value of over £20,000 which is mandatory. (See Council's Standing Orders on business).

For contracts of a lower value the council has a process covered by Financial Regulations.

**14. Internal audit**

The council has appointed Mulberry & Co to be its internal auditor. Mulberry & Co are re-appointed annually and visit twice a year.

At each visit they carry out a paper trail from invoice (both received and raised) to cash book and bank statement and ensures that the bank reconciliation report matches the cash book figures. As part of the final visit they sign the Statement of Annual Accounts for the external auditor.

They also carry out a review of financial policies and procedures.

**15. Fixed Asset Register**

The Fixed Asset Register is reviewed on an annual basis and brought to the Parish Council for approval.

Assets are reported at cost except for land owned by the Parish Council which is valued at £1 for reporting on the Annual Governance and Accountability Return

An replacement value is also held against each asset for insurance purposes.

**16. Risk Assessment**

The Risk Assessment is reviewed on an annual basis and brought to the Parish Council for approval.