

DRAUGHTON PARISH COUNCIL

Risk Management Policy

Introduction:

Parish Councils are required to have systems of financial control to help them manage risk (Accounts and Audit Regulations 2003 SI 2203/503 Regulation 4).

This policy has been approved in compliance with this requirement and is used by the Council as part of its mechanisms to ensure financial control, and by the Council's internal auditor to help to identify what tests to carry out as part of the annual audit.

Aim of Policy:

To identify and manage risk effectively in financial terms and also in terms of service delivery.

Policy Statement:

Draughton Parish Council is responsible for risk management because risks threaten its ability to achieve its objectives. The Council will therefore ensure that, on an annual basis, members will:

- Review the key risks identified which are facing the Council
- Evaluate the potential to the Council of one of these risks taking place; and
- Agree measures to avoid, reduce or control the risk or its consequence.

Such measures may include:

- Taking out insurance
- Working with another party to reduce the risk; or
- Managing the risk in house.

Schedule of Risks:

The attached Schedule sets out the risks currently identified, their potential impact on the Council's objectives, and the means adopted of reducing, mitigating, or otherwise controlling them.

Review of Policy:

This Policy will be reviewed annually at the Annual Council Meeting.

Date approved by the Council: 16 May 2022

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Schedule of Risks as at...May 2022.....

Note: Risks are evaluated at levels high (H), medium (M) or low (L)

Area	Risk	Level	Control <i>(and agreed improvements)</i>
Assets (see Asset Register)	Failure in protection and security of physical assets	M	Assets insured. Insured value reviewed annually.
	Inadequate maintenance of assets	M	Assets maintained in accordance with Annual Plan approved by Council when budget set
Finance	Banking	M	Funds held with high street bank
	Risk of consequential loss of income	M	Risk insured (to cover loss of income).
	Loss of cash through theft or dishonesty	L	No cash held. All transactions online and by cheque.
	Failure of financial controls and records	M	Regular bank reconciliation prepared by Clerk and reported to Council half yearly. Two signatories for online payments and on cheques. Internal audit.
	Failure to comply with VAT Regulations	L	Use help line when necessary. VAT payments and claims calculated by Clerk. Internal auditor reviews annually.
	Issues in budgeting, leading to unrealistic or unsustainable annual precept	M	Council receives detailed budgets in the late autumn. Precept derived directly from this. Expenditure monitored against budget and reported to Council at half year.
	Compliance with borrowing restrictions	L	No borrowing likely.
Liability	Risk to third party, property or individuals, including third party contractors	M	Insurance in place. Council-owned machinery used by councillors and volunteers serviced annually. Contractors used with own machinery and insurance to cut village green

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	Legal liability as consequence of asset ownership (eg caused by defective footway lights)	H	Insurance in place. NYCC contracted to provide maintenance of lights.
Employer Liability	Failure to comply with Employment Law	L	Clerk reports as necessary to Council on relevant changes in legislation affecting employee relationship.
	Failure to comply with HMRC requirements	M	Payroll contracted out. Internal auditor carries out annual checks.
Legal Liability	Ensuring activities are within legal powers	H	Clerk clarifies legal position on any new proposal. Legal advice to be sought where necessary. Council has GPC
	Proper and timely reporting via the Minutes	M	Council meets monthly and receives and approves Minutes of meetings. Minutes made available to press and public via the website.
	Proper document control	M	Legal and historic documents held by Clerk. NB: deeds for ownership of village green held by solicitors. Data storage complies with Data Protection legislation currently in force.
Communications	Computer breakdown	H	Insurance against business interruption. Documents held electronically backed-up regularly (on device and via cloud back up off premises). Maintenance contract in place for repairs and servicing
	Website failure	H	Maintenance and service contracted out. Sum budgeted annually for dealing with website issues.
Councillor propriety	Breaches of Code of Conduct	H	Councillors required to read and understand Code requirements. Clerk reports recommended changes for approval as necessary.
	Failure to declare Interests	H	Register of interests in place. Members asked to confirm interests annually and to seek specific dispensation at meetings if required.

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