



RISK ASSESSMENT

1 Introduction

The council has a number of duties in respect of risk management under the Accounts and Audit Regulations 2015 as follows:

- the council must have a sound system of internal controls that effective arrangements for the management of risk.
- The financial control systems must include measures to ensure that risk is appropriately managed.
- the council must undertake an effective audit to evaluate the effectiveness of its risk management.

This document provide a risk assessment of the management of risk for the business and financial processes of the council. Health and Safety risk assessments are created separately for individual process or events.

2 Risk Matrix

		Impact		
		Negligible (1)	Moderate (2)	Severe (3)
Likelihood	High (3)	Medium (3 x 1)	High (3 x 2)	Very High (3 x 3)
	Possible (2)	Low (2 x 1)	Medium (2 x 2)	High (2 x 3)
	Unlikely (1)	Very Low (1 x 1)	Low (1 x 2)	Medium (1 x 3)

3 Notes to Table

Risk Values:

- H – High These must be addressed and this level is unacceptable.
M – Medium This level is tolerable but use risk reduction if practical.
L – Low Level of risk is acceptable. Monitor and review.

Acaster Malbis Parish Council

Subject	Risks Identified	Level	Management of risk	Review/Assess
Financial – Precept				
Councillors	Losing Councillor membership or having more than 5 vacancies at any one time	Low	When a vacancy arises there is a legal process to follow. This either leads to a by-election or a co-option process. Any by-election would be arranged by City of York Council (COYC). If it is a co-option process, AMPC will co-opt as required. If there is more than 5 vacancies at any one time the council becomes inquorate and the legal process of COYC takes place.	Existing procedures are adequate and are reviewed regularly. Procedures of COYC are adequate.
Precept	Inadequacy of existing funds and precept	Low	Budget derived from an approved business plan and review quarterly by council (actual vs forecast). Precept calculated from budget and precept notice sent to City of York and acknowledgement sought.	Existing procedures adequate.
	Amount not received from City of York Council	Low	The clerk informs the council when the money is received. (Normally April and September).	Existing procedures adequate.
Financial Records	Inadequate records	Low	The council has Financial Regulations which set out the requirements.	Review of Financial Regulations annually.
	Financial irregularities	Low	Council has a monthly internal control check looking at transactions in the cashbook vs actual and this is reported to council. Monthly bank reconciliation reported to council.	Existing procedures adequate.
	Failure to comply with legislation	Med	Subscribing to local council association YLCA, training, Internal Audit to offer advice as appropriate.	Existing procedures adequate.
Bank and Banking	Inadequate checks	Low	The council has Financial Regulations which set out the requirements for banking, cheques and bank reconciliation. The Clerk reconciles the bank accounts once a month when the statement is issued, any problems /irregularities are dealt with immediately. The bank reconciliation is presented to the council every month at a full council meeting. This is signed by the Chair.	Review of Financial Regulations annually.
	Bank mistakes	Low		Existing procedures adequate.
	Loss	Low		
	Charges	Low		
	Loss of signatories	Low	Council chooses to replace signatories or a councillor resigns. Signatories are also confirmed at the Annual meeting every May.	Review signatories at the Annual meeting and after resignation.
Debit card	Loss through theft or dishonesty	Low	The council has Financial Regulations which set out the requirements.	Existing procedures adequate. Review of Financial Regulations annually.
VAT	Re-claiming	Low	The council has Financial Regulations which set out the requirements.	Existing procedures adequate.
Litigation	Potential risk of legal action being taken against the council	Medium	Public Liability Insurance covers general personal injury claims where the council is at fault, but not spurious or frivolous claims (these cannot be insured against).	Insurance is adequate and is reviewed annually but there is a

Acaster Malbis Parish Council

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				risk of other claims.
Reporting and Auditing	Lack of information and/or clear information	Low	Financial Information is a monthly agenda item. Internal control is a monthly process.	Existing procedures adequate.
Direct costs	Goods not supplied but billed	Low	Invoices only paid when goods received or work has been completed.	Existing procedures adequate.
Overhead expenses	Incorrect invoicing	Low	Invoices are checked against purchase / contract orders.	Existing procedures adequate.
Grants payable	Power to pay	Low	All such expenditure goes through the required council process of approval, minuted accordingly. Power to pay recorded in Scribe.	Existing procedures adequate.
	Authorisation of council to pay	Low	All applications follow the Grants Policy and complete an application form.	Existing procedures adequate.
	Transparency	Low	All applications are discussed at full council meetings and decisions recorded in minutes. Applications are available for the public to inspect.	Existing procedures adequate.
Best Value Accountability	Work awarded incorrectly	Low	Normal council practice is to seek at least three quotations if possible as per the Financial Regulations.	Existing procedures adequate.
	Overspend on services	Medium	If a problems is encountered with a contract the clerk would investigate the situation, check the quotation / tender, research the problem and report to the council.	Review of Financial Regulations annually.
Employees	Loss of Clerk	Low	Data held in cloud; passwords in password manager. Password manager held by chair in safe.	Existing procedures adequate.
	Fraud	Low	Monthly Internal control procedure to check bank. Bank limits on transactions.	Existing procedures adequate.
Salaries	Salary paid incorrectly	Low	This is agreed monthly and is presented at full council meeting.	Existing procedures adequate.
	Wrong hours paid	Low	Hours are per contract are overtime is agreed by council but is very rare.	Existing procedures adequate.
	Wrong rate paid	Low	This is reviewed when NALC issue new pay scales or before if required.	Existing procedures adequate.
	Wrong deductions of NI or Tax	Low	The clerk operates a Real Time HMRC PAYE system to ensure the council is complying with current regulations.	Existing procedures adequate.
	Unpaid Tax and NI to HMRC	Low	System warns if payments are to be made & email warning are received.	Existing procedures adequate.
Councillor Allowances	Councillors overpaid Income tax deductions	n/a	No allowances are daimed by councillors.	No procedure required.
Election Costs	Risk of an Election Cost	Low	Risk is higher in an election year but is included in the budget. When a scheduled election is due the Clerk will obtain an estimate of costs from COYC. There are no measures which can be adopted to minimize the risk of having an election, as this is a democratic process.	Council should consider having a Contingency Fund for Election Costs.

Acaster Malbis Parish Council

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VAT	Re-claiming	Low	The council has Financial Regulations which set out the requirements. Claimed yearly as total purchase value is low.	Existing procedures adequate.
Internal Audit	Completion within the time limits	Low	Internal Auditor appointed annually by the council. Internal Auditor is supplied with all the documents to audit and has access to Scribe and all accounting information.	Existing procedures adequate.
Annual Return	Completion / Submission within time limits	Low	Annual Return is completed and signed by the council, submitted to the internal auditor for completion and signing then posted on website as an exempt council.	Existing procedures adequate.
Legal Powers	Illegal activity or payments	Low	All activity and payments within the powers of the council to be resolved and minuted at full council meetings. The power used is recorded in Scribe.	Existing procedures adequate.
Minutes / Agendas / Notices / Statutory Documents	Accuracy and legality	Low	Minutes and agenda are produced in the prescribed manner by the clerk and adhere to the legal requirements.	Existing procedures adequate.
	Not approved	Low	Minutes are approved and signed at the following council meeting.	Existing procedures adequate.
	Not displayed/published	Low	Minutes and agenda are displayed according to legal requirements.	Existing procedures adequate.
	Business Conduct	Low	Business conducted at council meetings should be managed by the Chair.	Members adhere to Code of Conduct.
Records – paper	Loss through theft or fire damage	Low / Medium	Modern records are predominantly electronic. Where practicable key paper records are scanned and held as per electronic records. The council records are either stored in a locked filing cabinet in the clerk's home.	Damage (apart from fire) and theft is unlikely and so provision is adequate.
Records – electronic	Loss through theft, fire, corruption of computer	Low	Council's records are stored on the a cloud account and the clerk's computer. Clerk's computer is backed up nightly to portable hard disk. Website is backed up weekly to cloud backup.	Existing procedures adequate.
Members Interests	Conflict of Interest	Medium	Declarations of Interests is an agenda items for all meetings.	Existing procedures adequate.
	Register of Members Interests	Medium	Register of members of Interests forms should be reviewed regularly by councillors.	Members take responsibility to update their Register.
Website	Inadequate or outdated information and lack of public engagement with the use of website.	Low	Website updated by clerk as necessary to comply with Transparency Code for Smaller Authorities.	Existing procedures adequate.
Insurance	Adequacy	Low	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and employee liability insurance is a necessity and within policies. Ensure compliance measures in place. Fidelity checks in place.	Existing procedures adequate. Review insurance provision annually.
	Cost	Low	Competitive quotations are sought. Multi-year deals assessed for value.	Review insurance provision annually.

Acaster Malbis Parish Council

Subject	Risks Identified	Level	Management of risk	Review/Assess
	Loss or damage	Low	Insurance and asset register updated annually.	Existing procedures adequate.
Assets	Risk / damage / injury to third parties	Low	All assets owned by the council are regularly inspected and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the council. All assets are insured; annual asset inspection and review.	Existing procedures adequate. Review insurance provision annually.
Data Protection	Failure to implement Policy provision	Low	The council is registered with the Information Commissioner.	Ensure Annual Renewal of Registration.
		Low	The council has a Data Protection Policy, Privacy Notice, SAR Policy and Data Breach Policy.	Policies to be reviewed regularly.
Freedom of Information	Failure to implement Policy provision	Low	The council has a model publication scheme for Local Councils in place and this is reviewed regularly.	Monitor and report any impacts of requests made under the FOI Act.
Meeting Location	Adequacy	Low	The council Meetings are held in the Village Hall. Risk assessment have been provided by the hall trustees. The premises and the facilities are considered to be adequate for the clerk and public who attend from Health & Safety, disability discrimination and comfort aspects.	Existing location adequate.