

WYLAM PARISH COUNCIL

RISK/INTERNAL CONTROLS ASSESSMENT

Reviewed by Wylam Parish Council on:	12 th March 2018
Next review due:	March 2019

Introduction

As part of its strategic management policy, Wylam Parish Council has undertaken to identify the risks associated with its activity and the services it provides, evaluate the potential consequences to the Parish Council if an identified risk takes place and agree such measures as are deemed appropriate to minimise those risks and manage the consequences.

The Parish Council will, before 31 March each year, review the risks and the Council's policy for the management of those risks and make appropriate adjustments to its Risk Assessment document. As part of the review of internal controls, the Parish Council' Internal Audit Plan will also be reviewed at this time.

Areas of Risk

The following table indicates the areas of risk that have been identified and considered by the Parish Council and includes an assessment of the potential impact on the functioning of the Council if that risk is realised and the perceived likelihood of that risk occurring.

H High

M Medium

L Low

Topic	Risk Identified	Risk Level	Impact Level	Management of Risk	Staff Action
FINANCE					
Precept	Demand not submitted	L	H	Full PC Minute - RFO follow up. Fidelity Guarantee £100,000	RFO
	Not paid by NCC	L	H	Check Bank statement	RFO
	Adequacy of Precept	M	H	Quarterly review of budget to actual	RFO/Council
Insurance	Insurance not renewed	L	H	Review annually to ensure adequate cover	RFO/Council
Debit Card	Loss/theft/dishonesty	L	L	Debit Card Policy	RFO/Council
CHARGES					
Allotments	Rent not received	L	L	RFO check/follow up	RFO/Council review rent every 3 years.
NEDL Wayleaves	Payment not received	L	L	RFO check/follow up	RFO
Cash	Loss through theft/dishonesty	L	L	No petty cash system operated. Cash/cheques banked within 3 working days.	RFO check Bank Paying-in book/ Finance File
Loss	Consequential loss of Income	L	H	Fidelity Guarantee £200,000	RFO/Council review insurance cover annually.

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	Account documentation incorrectly prepared	L	H	Half-Year Accounts presented to full PC and examined by Internal Auditor. Externally audited after due public notice and period for public scrutiny.	RFO/ Internal Auditor/Full Council/External Auditor
	Internal Audit	L	L	Appointment of appropriate person as Internal Auditor.	Annual review of effectiveness of internal audit - full Council.
	Unapproved expenditure	L	H	Monthly list of payments presented to full Council for approval prior to payment. Cheques signed by 2 of 3 Councillor signatories; cheque stubs initialled by signatories & RFO.	RFO/ Signatories check
	VAT not recovered	L	M	VAT entered in cashbook/VAT reclaim form submitted with Accounts to full PC/ refund recorded as Income when received.	RFO
SALARIES	Wrong salary paid	L	L	Check to Minute	Council verify
	Wrong hours paid	L	L	Check to contract	Council verify
	Wrong rate of pay	L	L	Check to contract	Council verify
	HMRC RTI not reported	L	M	Payroll handled by NCC from 01/04/2014.	RFO to monitor.
STAFF	Resignation of Clerk/retirement	L	M/H	Review hours, health, stress & training opportunities. Arrange locum Clerk.	Full Council to review annually.
	Absence of Clerk for extended time	L	H	Chairman to delegate office cover as necessary & arrange for members to maintain systems as appropriate. Arrange locum Clerk.	Chairman

Topic	Risk Identified	Risk Level	Impact Level	Management of Risk	Staff Action
	Loss/Absence of Handyman	L	M	Chairman to arrange volunteer cover (members/community) for essential duties. Advertise/recruit replacement if appropriate.	Chairman
	Fraud by staff	L	H	Fidelity Guarantee £200,000. Ensure Insurance company conditions are met.	Council. Financial Regulations/Standing Orders in place.
EMPLOYMENT	Employees	L	L	Contracts of employment for Clerk & Handyman. Reviewed annually, together with related Terms & Conditions.	Council
	Employer's Liability	L	L	Employer's Liability Insurance £10 million.	Council
LEGAL POWERS	Illegal activity or payment	L	H	Clerk/RFO/Member training. Reference made to NALC/SLCC publications held in office.	RFO/Clerk/Council
	Improper use of Grants to Community Bodies	L	L	Parish Council member on Management Committee of organisation. Parish Council Grants Policy in place; organisations must fill in an application form before grants are approved.	Member/Council
	Improper processing and use of personal information	L	H	Policies in place to comply with GDPR from 25 th May 2018.	Clerk/ Council

Topic	Risk Identified	Risk Level	Impact Level	Management of Risk	Staff Action
ASSETS	Street furniture, notice boards, name signs and bus shelter	M	L	Adequate Insurance cover. Regular visual checks carried out and annually reviewed.	RFO/Council/Member
	Gates, fences, boundary wall	L	L	Adequate insurance cover. Regular visual checks.	RFO/Council/Member
	War Memorial	L	L	Adequate insurance cover. Regular visual checks.	RFO/Council/Member
	Twelve areas of land	L	L	Reports from public/Tree Warden	Tree Warden/Council
	Model Locomotives	L	L	Insured at any location. Security in place in accordance with insurance company requirements.	Council
	Museum contents	L	L	Adequate insurance cover - reviewed annually.	RFO/Council
	Information Panels (Nature Reserve) - vandalism.	L	L	Adequate insurance cover - reviewed annually. Checked regularly.	Member
	Hagg Bank Play Equipment	M	L	Checked weekly by Northumberland County Council and annually by Wicksteed Ltd.	Clerk
	Litter trolley	M	L	Adequate Insurance cover.	Clerk
	Computer, printer, software	L	H	Adequate insurance cover.	Clerk
	Data held on computer	L	H	Backed up daily to portable hard-drive.	Clerk
	Christmas lights	L	L	Checked annually by installer.	Clerk

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CONTRACTS	Default on contracts	L	L	PC enters into very few contracts with external agencies. Only reputable agencies are used. Details approved by full PC. Full payment will not be made for a contract until it has been completed satisfactorily. A deadline will be set for completion of contract.	Council/RFO
GENERAL LIABILITY	Risks to Third Parties	L	L	Public Liability Insurance of £10 million in place.	Council review annually.
	Failure to make relevant papers public	L	L	Publications Scheme in place. Regularly reviewed.	Clerk/Council
LEGAL LIABILITY	Consequence of Asset ownership	L	L	Adequate Public Liability Insurance in place. All assets regularly checked.	Council/External Agency
	Personal Accident	L	L	Adequate insurance in place.	RFO/Council
	Loss of documents	L	M	Original deeds, conveyances and leases in Safety Deposit Box at Barclays Bank. Records in locked filing cabinet/cupboard. Regularly archived.	Council
COUNCILLORS' EXPENSES	Councillor overpaid	L	L	Claim form & Minute	RFO to verify.
COUNCILLORS' INTERESTS	Challenge to members' Interests, Value of Gifts. Accusations of Libel or Slander	L	L	Register of Members' Interests is maintained & updated annually together with declarations of value of gifts received. Adequate Public Liability Insurance cover in place.	RFO/Council

