LYMPNE PARISH COUNCIL
RISK ASSESSMENT

APPROVED AT MEETING 5th February 2020
MINUTE REF 5th February 2020 item 13
REVIEW DATE -February 2021

1. FINANCE AND ADMIN/MANAGEMENT				
Subject/item	**Risk(s) identified**	**Risk level H/M/L**	**Management/control of risk**	**Review/Assess /Revise**
Business continuity	Council unable to continue its business due to an unexpected or tragic circumstance (theft, fire, corruption of computer data) There is no additional back up hard drive at the time of this review and procedure needs to be updated	Medium Risk	All files and records are kept at the Clerk's home. Clerk makes weekly backups onto a removable hard drive. Chairman can contact KALC OR SLCC for advice in the event of a problem with business continuity.	Procedure needs updating. See Risks identified column for details
Precept	Adequacy of precept.	L	Council reviews precept requirement annually. It reviews the presented budget update information by the Jan meeting at the latest, agrees amounts for the set budget headings for the following year, the total of	Procedure adequate

	Requirements not submitted to District Council Amount not received by PC.	L L	which is resolved to be the precept amount to be requested from Borough Council. This figure is then submitted by the Clerk to District Council by email The Clerk checks for receipt and reports it to the Council.	
Financial records	Inadequate records	L	The Council has Financial Regulations which set out requirements.	Review annually.
	Financial irregularities	L	The Council has an internal auditor. Cheques require two signatories. Electronic bank transfers require two authorisations and the Clerk is not a signatory.	Audit is done
	Loss of records through damage, theft, fire, etc	M/L	Backups are made weekly of computer records. Paper files are stored in Clerk's house – not in fire-proof cabinets. Backups are copied to a hard drive at a separate location using Microsoft 365	Procedure adequate.
Bank and Banking	Inadequate checks	L	The Council has Financial Regulations which set requirements for banking, cheques and reconciliation of accounts. Cheques require two signatories Electronic bank transfers require two authorisations and the Clerk is not a signatory.[1]	Procedure adequate. Review signatories
	Bank mistakes/loss/charges	L	The bank accounts are reconciled immediately by the Clerk on receipt of statements each month and online using internet banking, so errors are found immediately and rectified. Internal audit also checks this.	when necessary, especially after elections.

[1] It was identified that our previous banking arrangements did not fit with the trend for paying everything electronically. The Bank account was changed to ensure that the Clerk did not need to be a "signatory" to make banking payments. This also gave the added benefit of knowing that each month two Councillors were reviewing the bank accounts on line, something that the Clerk Could not guarantee in the past.

Reporting and auditing	Communication Compliance	L 	The Council uses an expenditure and income spreadsheet which is backed up in line with this risk assessment. Statements are produced monthly for each Council meeting and are discussed and approved at the meeting: bank reconciliation, trial balance and income and expenditure. Councillors review bank statements and accounts monthly to ensure compliance	Procedure adequate Procedure adequate
Direct costs/ overhead expenses/debts	Goods not supplied but billed Incorrect invoicing Members expenses	L L L	Financial Regulations set out requirements At each Council meeting, the list of invoices awaiting approval is distributed to Councillors and considered. Council approves the list of requests for payment, before signing the cheques or authorising electronic payments and remittance. These are covered by the presentation of receipts to Clerk, who then raises a cheque or electronic transfer in accordance with the procedure above.	Procedure adequate. Review of Financial Regulations annually.
VAT	Failure to reclaim VAT is reclaimed incorrectly	L L	VAT is reclaimed on a six-monthly basis Reviewed by internal auditor yearly	Adequate Adequate
Annual return	Failure to submit within time limits	L	Employers Annual Return is completed and submitted to the Inland Revenue by the Clerk within the prescribed time frame. The return is signed by the Council and submitted to the internal auditor for completion and signing and then sent to the External Auditor within the time limit.[2]	Procedure adequate.
Charges – rentals receivable	Non-receipt of Rent	L	A direct debit is set up with the tenant and confirmation is checked monthly by the Clerk when creating reports for review by the Council	Procedure adequate

[2] Controlled by the Accounts and Audit Regulation 2015

Salaries and associated costs	Salary paid incorrectly. Wrong NI or PAYE deductions made. Unpaid tax or NI	L	Salary rates should be assessed annually/NALC/KALC Clerk provides monthly salary analysis to the Council, including NI and PAYE analysis, done using HMRC software. Contributions are signed off monthly by the Council. The Clerk has a job description and set hours to be completed at his discretion.	Procedure adequate
Data protection	Provision of policy	H	Council has a policy on data protection and is required to register with the Information Commissioner's Office[3]	Review required
Freedom of Information Act	Provision of policy	H	Basic policy in place. No requests for information under the FOI Act so far.[4]	Update required

2. ASSETS				
Subject/item	**Risk(s) identified**	**Risk level H/M/L**	**Management/control of risk**	**Review/Assess/Revise**
Street furniture, play areas, open spaces, noticeboards, office equipment, gates and fences, footpaths	Loss or damage Risk/damage to a third party(ies) or to property	L L	Asset register is kept. Regular checks are made of Council Assets by the PC. Clerk monitors noticeboards and office equipment.[5]	Asset register needs updating due to acquired assets and new procedures for checking assets is required due to change

[3] Data Protection Act 2018 and the General Data Protection Regulations feed into this part of the risk assessment along with specific Council Policies

[4] The Freedom of Information Act 2000 feeds into this part of the risk assessment- Council policy is formed from this act and requirements of the risk assessment.

[5] Lympne has a register which is passed from one Councillor to another to carry out checks of assets

Village Shop	Falling into disrepair, dropping footfall due to management of shop	H	Formation of a Shop Committee to carry out regular reviews and liaison with tenant to protect the future of the premises for the benefit of the village[6]	in Council membership. Insurance is reviewed annually. Shop Committee reformed 2020

3. LIABILITY [7]				
Contractors	Not insured or inadequately insured	L	Clarify with any subcontractor that they are insured and obtain copies of certificates and schedules.	Procedure adequate.
Public liability	The risk to third party, property or individuals, including volunteers (eg Speedwatch litter pickers, youth club)	M	Insurance is in place up to £10 million.	Review insurance annually.
Employer liability	Non-compliance with employment law	L	Member of KALC so advice can be sought.	Procedure adequate
Legal liability	Proper and timely reporting via minutes Document control	L L	Minutes always received and approved at the following monthly meeting Financial and other documents retained as legally required. Minutes and accounts have to be retained indefinitely, other documents for a lesser period.	Adequate Procedure adequate – see NALC Legal Topic Note 40

[6] This is a specific requirement at the moment for Lympne as this is a newly acquired asset for the Council.
[7] See introduction at top of this report

4. COUNCILLORS PROPRIETY				
Members interests	Conflict of interests	M	Councillors have a duty to declare any interests at the start of every meeting and these are noted and minuted[8]	Adequate
	Register of interests	M	Register of interests form is completed by each new councillor. Should be regularly reviewed and updated, as interests change.[9]	Councillors to inform Clerk as interests change.

[8] Required by statute under The Localism Act 2011 section 31

[9] Required by statute under The Localism Act 2011 section 30