

## PARISH COUNCIL RISK MANAGEMENT

### Mission Statement of Fotherby Parish Council:

To provide, manage and maintain the assets of the village of Fotherby, within the resources provided by the annual precept and other incomes, considering the wishes of the residents and obtaining value for money.

### Key assets and areas under FPC control

The Dock, Allotments, Burial Ground, Fotherby village public spaces, Fotherby Common

### Key Risks to be managed

Public injury, damage, or loss.

Condition of village assets managed via regular inspections.

Tri-annual tree survey and woodland management plan Fotherby Common.

Adequate signage where required to manage risk

Proper financial controls

Ensuring value for money

Regular review of procedures (annually)

# Fotherby Parish Council

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible
<p><b>1.</b> To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct.</p>	<p>1. Lack of knowledge of regulations and codes.</p> <p>2. Absence of standing orders.</p> <p>3. Actions by the Parish Council outside its powers as set out by Parliament.</p> <p>4. Lack of commitment to regulations and procedures.</p> <p>5. Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.</p> <p>6. Payments made without prior approval and adequate control.</p> <p>7. Lack of control of signatories to cheques.</p> <p>8. VAT not properly accounted for and claimed.</p>	<p>Ensure that all Councillors have copies of relative Acts, Code of Conduct, and Standing Orders. Highlight essential parts and provide training where possible.</p> <p>Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.</p> <p>As at 1 above but ensure that powers are highlighted or extracted into effective summary.</p> <p>Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual councillors.</p> <p>Ensure that all councillors are aware of regulations re estimates and full tender procedures. Introduce practice of estimates for all purchases over an agreed figure.</p> <p>Ensure all payments are approved in Council meetings and recorded in minutes. Keep cash payments to a minimum and avoid if possible.</p> <p>Keep authorised signatories to a minimum but consistent with practicalities.</p> <p>Ensure appropriate publications held and that Clerk has good knowledge of regulations.</p>	<p>Chair, Clerk, RFO</p> <p>Chair, Clerk, RFO</p> <p>Chair, Clerk, RFO</p> <p>Chair, Clerk, RFO All Councillors</p> <p>Chair, Clerk, RFO</p> <p>Clerk, RFO</p> <p>Clerk, RFO</p> <p>Clerk, RFO</p>
<p><b>2.</b> To identify and regularly review the Council's priorities.</p>	<p>1. Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievement.</p> <p>2. Lack of commitment by council members.</p> <p>3. No risk analysis carried out.</p>	<p>All councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable.</p> <p>Add risk assessment to agenda at least quarterly, reviewing items, and results against those items.</p> <p>As at 1 above. Ensure that completion of the risk assessment is given</p>	<p>Clerk, RFO, All Councillors</p> <p>Clerk, RFO</p> <p>Clerk, RFO</p>

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	4. No steps taken to combat identified risks	high priority, as a requirement of the Audit Commission As at 2 above.	Clerk, RFO
3. To influence other council departments and Government organisations to fulfil the requirements of the Parish population.	1. Lack of effective lines of communication with other organisations.	Note all communication lines which are essential or beneficial and make information available to all councillors. Establish contacts by name and where possible face-to-face.	Clerk, RFO
	2. Lack of effective lines of communication with parishioners.	Take every opportunity to publicise role of Parish Council. Create Parish newsletter if none exists. Use Notice Boards, Articles in Fotherby Keyhole, and “flyers” information distribution.	Chair Clerk, RFO, All Councillors
	3. Lack of preparation on subjects requiring influence.	Use key issues to raise profile of PC and to test parishioners’ views. Add social event to occasional meeting. Create Annual PC plan and put to parishioners for comment.	Chair, Clerk, RFO
	4. Lack of confidence by Parish Councillors.	Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information. As at 1 above. Experienced Councillors to assist newcomers to establish essential contacts.	Clerk, RFO Chair, Clerk, RFO
4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.	1. Lack of knowledge of possible culpability of councillors.	Creation of standing orders and familiarisation with those where greatest risk occurs.	Clerk, RFO
	2. Lack of education of Councillors regarding culpability.	As at 1 above. Delegate responsibility to one or two councillors to assist newcomers to understand culpability. Attend any training courses available.	Chair, Clerk, RFO
	3. Inadequate insurance cover taken out – property, personal liability, employer’s liability.	Review risk assessment by including on agenda at least annually. Delegate responsibility for keeping up to date with insurance requirements to an individual councillor.	Chair, Clerk, RFO
5. To keep appropriate books of account accurately and up to date throughout the financial year.	1. Lack of knowledge of accounting requirements	Ensure all councillors are familiar with current financial regulations and include them in the council’s Standing Orders. Regularly review Standing Orders. Appoint separate RFO (a councillor) to ensure another line of responsibility for financial management.	Chair, Clerk, RFO, Appointed Councillor

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	<p>2. Lack of commitment to accounting requirements.</p> <p>3. Bank charges unnecessarily incurred</p> <p>4. Inaccuracies in recording amounts and totals in books of account. Bank reconciliations not carried out.</p> <p>5. Inadequate control of cash receipts and payments.</p> <p>6. Books of account not kept up to date/ invoices not posted promptly.</p> <p>7. Internal controls not in place or not operated.</p> <p>8. Payments missed or delayed due to</p> <p>9. Clerk taken ill or leaves without replacement</p>	<p>As at 1 above. RFO to produce financial reports at all meetings. Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly.</p> <p>RFO to carry out regular inspection of books of account. Internal audit to be undertaken periodically during the current financial year.</p> <p>RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required.</p> <p>Keep a petty cash book and record all cash receipts and payments made. Use a properly controlled petty cash account with a set maximum balance.</p> <p>Regular checks by RFO and internal auditor. Financial reports at all PC meetings.</p> <p>As at 6 above.</p> <p>As at 6 above.</p> <p>Appointed Councillor as separate RFO allows a further individual to be familiar with all aspects of financial matters.</p>	<p>Clerk, RFO, Appointed Councillor</p> <p>Clerk, RFO, Appointed Councillor</p> <p>Clerk, RFO, Appointed Councillor</p> <p>Clerk, RFO</p> <p>Clerk, RFO, Appointed Councillor</p> <p>Clerk, RFO</p> <p>Clerk, RFO</p> <p>Appointed Councillor</p>
<p><b>6. To ensure that payments made from council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the residents.</b></p>	<p>1. Lack of knowledge of wishes of residents.</p> <p>2. Use of funds not giving value for money.</p> <p>3. Use of funds not in accordance with the wishes of the residents.</p>	<p>As at Section 3.2. Ensure residents are consulted on all major financial issues.</p> <p>Effective budget planning processes. Creation of annual plan after consultation process. Creation of outline 2/3-year plan.</p> <p>As at 2 above. RFO to create effective financial management.</p>	<p>Clerk, RFO</p> <p>Chair, Clerk, RFO, All Councillors</p> <p>Chair, Clerk, RFO, All Councillors</p>

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	4. Charges for use of facilities inadequate.	Effective financial management by RFO. Internal audit checks.	Chair, Clerk, RFO, All Councillors
	5. Fund raising not properly controlled or not in accordance with regulations.	All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.	Chair, Clerk, RFO, All Councillors
7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.	1. Lack of knowledge of budgetary process, and of Council regulations.	Include regulations in Standing Orders issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing initial budgetary process to RFO.	Clerk, RFO
	2. Lack of commitment to budgetary process.	As at 1 above Involve all councillors in budgetary process, not solely the clerk.	Chair, Clerk, RFO, All Councillors
	3. Inadequate consideration of requirements for annual precept.	Place item on agenda early in year to remind councillors of budget process and actions required. Delegate responsibility for managing initial budgetary process to RFO. Start consideration of need <b>at least 4 months prior to submission date</b> . Create annual and <b>2/3 plans</b> to assist in process.	Chair, Clerk, RFO, All Councillors
	4. Calculation not in accordance with Council regulations.	Checks by RFO and Internal Auditor.	Chair, Clerk, RFO, All Councillors
	5. Inadequate internal controls about monitoring expenditure.	Checks by RFO and Internal Auditor. Financial and budget progress reports to all PC meetings.	Chair, Clerk, RFO, All Councillors
	6. Reserves too low.	As at 5 above.	Chair, Clerk, RFO, All Councillors
8. To explore all possible sources of income and ensure that expected income is fully received.	1. Lack of knowledge of possible sources of income e.g., grants.	Appoint a councillor as Grants Officer to gain experience of all grants available and application procedures.	Clerk, RFO, All Councillors
	2. Lack of commitment to pursue possible sources of income.	As at 1 above.	Clerk, RFO, All Councillors
	3. Receipts not banked or not banked promptly.	Regular checks by councillor appointed as RFO.	Clerk, RFO, All

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	4. VAT claims not made promptly or made incorrectly.	Internal audit checks. Ensure Clerk has appropriate and up-to-date VAT official publications. Regular checks by RFO. Internal audit checks.	Councillors Clerk, RFO, All Councillors
9. To ensure that salaries paid to employees and amounts paid to contractors are paid in line with council regulations, and are adequately monitored.	1. Inappropriate rate of pay to employees. 2. Tax and NI arrangements not in accordance with regulations. 3. Amounts paid to contractors not in accordance with contract and inadequately monitored.	Ensure employee regulations are available and understood by Clerk. Checks by RFO. Internal audit checks. As at 1 above. Internal audit checks. Checks by RFO. Appoint councillor to monitor contract work carried out.	Chair, Clerk, RFO, All Councillors Chair, Clerk, RFO, All Councillors Chair, Clerk, RFO, All Councillors, Appointed Councillor
10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	1. Lack of knowledge of Council regulations and procedures. 2. Late or non- submission of annual accounts. 3. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements. 4. Inadequate audit trail from records to final accounts.	Include financial regulations in Standing Orders. Attend training seminars where available. Include a timetable in Standing Orders. RFO to monitor progress against timetable and report to PC meetings. Checks by RFO. Internal audit checks. As at 3 above.	Clerk, RFO, Appointed Councillor Clerk, RFO, Appointed Councillor Clerk, RFO, Appointed Councillor Clerk, RFO, Appointed Councillor
11. To identify, value, and maintain all the assets of the Parish Council, and ensure that asset and investment registers are complete, accurate and properly maintained.	1. Lack of knowledge of assets of Parish Council. 2. Assets lost or misappropriated 3. Inadequate or inaccurate valuation of the council's assets.	Ascertain and record all assets for which Parish council is responsible. Create permanent asset register. Establish who is responsible for security and maintenance of each asset. Appoint councillor responsible for regular monitoring of location and use of assets. Arrange for periodic review of valuations and arrange for professional valuation where necessary.	Clerk, RFO, Appointed Councillor Clerk, RFO, Appointed Councillor Clerk, RFO, Appointed Councillor

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	4. Asset register not established or inadequately maintained.	Internal audit checks. Create asset register in accordance with Audit Commission requirements.	Clerk, RFO, Appointed Councillor
<b>12.</b> To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.	1. Lack of knowledge of applicable legislation 2. Lack of public awareness of applicable legislation. 3. Failure to comply with applicable legislation.	Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at PC meetings.  Include, as appropriate, in any public consultations.  As at 1 above	Clerk, RFO, All Councillors  Clerk, RFO, All Councillors  Clerk, RFO, All Councillors
<b>13.</b> To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible.	1. Lack of information on properties, buildings, and equipment. 2. Lack of knowledge of safety requirements. 3. Lack of commitment to carrying out safety checks.	Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties for which PC responsible.  Ensure that all current legislation and advice is held by Clerk. Place subject as item on PC meeting agenda at regular intervals.  As at 2 above. Delegate responsibility for supervision of properties to individual councillors, reporting back to council for any action.	Clerk, RFO  Clerk, RFO, All Councillors  Clerk, RFO, Appointed Councillors

Reviewed and approved at the Parish Council meeting of 6 January 2025 *Chairman of the Council*

*(Or earlier if legislation changes)*