

ROTHWELL TOWN COUNCIL

Overcoming Obstacles: Risk Assessment 2020/2021 May 2020

What this document is about

We are aware that sometimes things happen to prevent us achieving our vision, aims and values. Obstacles can get in our way. Things can happen that with a little planning could be avoided or at least reduced. Sometimes we don't take advantage of opportunities because there are obstacles associated with them. They could relate to financial, political, or environmental issues for example.

We call these obstacles 'risks'. This document sets out what we feel are our key strategic risks in the coming year and how we might tackle them.

What is 'risk management'?

Risk Management is:

- understanding what our risks and obstacles are;
- considering the likelihood of them occurring;
- looking to see what impact they might have;
- deciding whether we can bear the risk or not;
- looking to reduce, remove or transfer them; and
- providing clear ownership of the risks.

We know that if we do not have effective management of risks we do not have effective management. As a pro-active Town Council we are moving to become more risk aware and are committed to managing our risks. We want to get the right balance between progressing innovation and change on one hand and avoiding shocks and surprises on the other. Risks can either be 'strategic' where they are crucial to the high level success of the Town Council as a whole or 'operational' where they are crucial to specific activities or projects which contribute to the overall success of the Council. In this document we have reviewed the main risks in achieving our mission. We will regularly monitor risks and carry out a full risk assessment and management exercise annually.

This document identifies risks, assesses likelihood and impact and includes an action plan for managing risks. Likelihood and impact have been assessed on a Low –Medium – High scale. Clearly those risks that record a High-High or Medium- High score require the most careful monitoring and review.

Mission Statement, Values and Priorities

Our mission is to deliver quality services to Rothwell Town.

We are committed to:

- listening to and responding to the views and needs of local residents and addressing their priorities;
- promoting local democracy;
- proactively working to improve our Town and the wellbeing of our residents;
- working in true partnership to maximise achievement and efficiency in service delivery;
- delivering and improving upon value for money; and
- continuous improvement in service delivery.

ROTHWELL TOWN COUNCIL RISK ASSESSMENT

This document identifies risks, assesses likelihood and impact and includes an action plan for managing risks. Likelihood and impact have been assessed on a Low –Medium – High scale. Clearly those risks that record a High-High or Medium- High score require the most careful monitoring and review.

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
1. Business Continuity	<p>1. Incapacity of Clerk including impact of pandemic</p> <p>2. Resignation of the Clerk</p> <p>3. Loss or theft of records</p> <p>4. Failure to retain or secure the necessary number of Members for a Council</p> <p>5. Pandemic</p>	<p>Low/High</p> <p>High/High</p> <p>Medium/High</p> <p>Low/High</p> <p>High</p>	<p>Designate a person to temporarily act as Clerk in an emergency (insurance in place for key worker)</p> <p>Process to be in place, job description, person specification in place (advice from NCALC)</p> <p>All old copies of Minutes prior to electronic to be deposited with the County Records. All minutes from 20013are held on the Council’s website All records are backed up daily to a suitable electronic device</p> <p>Maintain an up to date attendance register. Advertise for an election immediately a vacancy exists Co-opt Members where no election held</p> <p>Make arrangements to delegate authority to the Clerk to make decisions on behalf of Council, in the event that Council cannot meet in person, to ensure that the business of the Council may continue uninterrupted. This would be in the event that no legislation has been passed by Government to hold meetings remotely using video conferencing.</p>	<p>All Members</p> <p>All Members</p> <p>Clerk</p> <p>Clerk Clerk All Members</p> <p>Clerk All members</p>
2. To ensure compliance with Acts of Parliament, Council’s financial regulations and code of conduct	<p>1. Lack of knowledge of regulations and codes</p> <p>2. Absence of standing orders</p> <p>3. Actions by the Town Council outside its powers laid down by Parliament</p>	<p>Low/High</p> <p>Low / High</p> <p>Low/High</p>	<p>Ensure that all Councillors have available relative Acts. That a Code of Conduct, Standing Orders and Financial Regulations are in place. Highlight essential parts and provide training where relevant.</p> <p>Ensure that Standing Orders are produced, adopted by Council, understood by Councillors, and reviewed annually</p> <p>As at 2.1 above, but ensure that powers are highlighted or extracted into effective summary.</p>	<p>Clerk Town Mayor</p> <p>Clerk Town Mayor</p> <p>Clerk Town Mayor</p>

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
<p>To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct (cont.)</p>	4. Lack of commitment to regulations and procedures	Low/High	Regular reference to appropriate regulations in agenda items.	Clerk
	5. Items purchased without proper tendering procedures not providing value for money or resulting in accusations of commercial favouritism	Low/High	Ensure that all councillors are aware of regulations re budgetary control and tender procedures. Introduce practice of estimates for all purchases over a figure agreed in the financial regulations.	Clerk
	6. Payments made without prior approval and adequate control	Low/High	Ensure all payments are approved in Council meetings and recorded in minutes. Where prior payment is required, this is approved by the Town Mayor / Deputy Mayor and email sent to all bank signatories. Keep cash payments to a minimum, and avoid if possible.	Clerk
	7. Lack of control of signatories to cheques	Low/High	Seven Councillors as authorised signatories approved by Council to sign cheques. Six signatories for authorisation of BACS (2 authorisation required per payment)	Clerk
	8. VAT not properly accounted for	Low/Medium	Ensure appropriate publications held and that Clerk has good knowledge of regulations.	Clerk
	9. Notice of meeting	Low/Medium	A notice of meeting, including the agenda are placed on the notice board in the Town and on the Council's website giving the required notice for each meeting. Agenda sent electronically or hand-delivered.	Clerk
	10. Approval of minutes	Low/Medium	Minutes are approved at the next meeting of the Council. A copy of the minutes are displayed on Council's website by no later than one month from the meeting. Once minutes are approved a hardcopy is available in Rothwell Library to view.	Clerk
11. Register of Interests	Low/High	Members are required to declare an interest in any item of business and this is recorded in the minutes.	All Members Clerk All Members	

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	12. Security of Data 13. Freedom Of Information	Low/High Low/High	Completed 'Register of Financial & Other Interest' Forms are submitted to the Monitoring Officer and regularly reviewed by Members. Confidential documents are held in a locked filing cabinet The Council has adopted the model scheme and registered this with the Information Commissioner.	Clerk Members
3. To identify and regularly review the Council's priorities	1. Lack of knowledge of how to set objectives, set priorities, and identify risks to their achievement 2. Lack of commitment by Council Members 3. No risk analysis carried out 4. No steps taken to combat identified risks 5. Failure to prioritise in practice 6. Impact of potential Public Spending Cuts	Low/Medium Low/Medium Low/High Medium/High High/High High/High	All councillors to be made aware of need for objectives and identification of risk. Attend training sessions if practicable. Add risk assessment to agenda at least annually, reviewing particular items, and results against those items. As at 3.1 above. Ensure that completion of the risk assessment is given high priority. As at 3.2 above. All councillors to be made aware that priorities must be set on the basis of the capacity of the Town Council to deliver. Attend Training where appropriate. All councillors to be made aware that priorities must be set on the basis of the financial capacity of the Town Council to deliver. Attend Training where appropriate.	Clerk All members Clerk Clerk All Members All Members All Members
4. To influence Government and other	1. Lack of effective lines of communication with other organisations	Low/High	Note all communication lines that are essential or beneficial and make information available to Councillors. Establish contacts by name and where possible face-to-face.	Clerk

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
organisations to fulfil the requirements of the Parish population	2. Lack of effective lines of communication with parishioners 3. Lack of preparation on subjects requiring influence 4. Lack of confidence by Parish Councillors	Low/High Low/High Low/Medium	Take every opportunity to publicise role of Town Council through Town Council website, noticeboard and Social media. Effective use of Notice Boards and “fliers”. Ensure that all Councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion. As at 4.1 above. Experienced councillors to assist newcomers and attend relevant training where necessary	Clerk All Members
5. 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 2. Lack of education of Councillors regarding culpability 3. Inadequate insurance cover taken out – property, personal liability, employer’s liability	Medium/High Medium/High Low/High	Creation of standing orders and familiarisation with those where greatest risk occurs. As at 5.1 above. Attend any training courses available. Review risk assessment by including on agenda of Town Council meetings at least annually. Ensure a risk assessment is carried out for all new assets and appropriate insurance cover considered.	Clerk All Members All Members Clerk
6. To keep appropriate books of account accurately and up-to-	1. Lack of knowledge of accounting requirements	Low/High	Ensure that all Councillors are familiar with current financial regulations and include them in standing orders. Regularly review standing orders.	All Members

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<p>date throughout the financial year</p>	2. Lack of commitment to accounting requirements	Low/High	As at 6.1 above. Clerk to produce up to date financial reports at all meetings from Accounts Package Internal and External audit reports to be made available to all Councillors and any recommendations to be acted upon promptly.	All Members Clerk
	3. Bank charges unnecessarily incurred	Low/High	Clerk to balance accounts against bank statements monthly and produce bank reconciliations from Accounts Package	Clerk
	4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations	Low/High	Clerk to ensure that books of account are formatted in such a way that internal controls are included and activated. Annual internal audits to advise on internal controls required.	Clerk Internal Review
	5. Bankings	Low/High	All bankings and drawing of cheques to be in accordance with Section 5 of Financial Regulations	Clerk
	6. Inaccuracies and interest losses caused by account transfers	Low/High	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account.	Clerk
	7. The most beneficial interest terms not being employed	Low/High	Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.	Clerk
	8. Inadequate control of cash receipts and payments	Low/High	Avoid cash payments and receipts if possible. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum balance.	Clerk Clerk
<p>To keep appropriate books of account accurately and up-to-date throughout the financial year (cont.)</p>	9. Books of account not kept up to date/ invoices not posted promptly	Low/High	Regular weekly/monthly update of accounts by Clerk. Quarterly Financial reports to be produced for Town Council meetings.	Clerk Clerk

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
	10. Internal controls not in place or not operated	Low/High	As at 6.8 above.	Clerk
	11. Payments missed or delayed due to inadequate filing of invoices	Low/High	As at 6.8 above. All invoices to be checked and filed as pending on receipt and reported to next Town Council meeting.	Clerk
	12. Fraud by Clerk or Councillor	Low/High	Bank arrangements prevent this. Internal reviews and regular checks by bank signatories. Insurance in place.	Clerk All Members
7. 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	1. Lack of knowledge of wishes of residents	Low/High	As at 3.2	All Members
	2. Use of funds not giving value for money	Low/High	Effective budget planning processes.	All Members/Clerk
	3. Use of funds not in accordance with the wishes of the residents	Low/High	As at 7.2 above Appointment of RFO (Clerk) to create effective financial management.	All Members All Members
	4. Charges for use of facilities inadequate	Low/Medium	Effective financial management and prompt collection by RFO. Internal audit checks.	Clerk Internal Auditor
	5. Fund raising not properly controlled or not in accordance with regulations	Low/High	All Councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by RFO.	All Members Clerk
8. To ensure that the annual precept		Low/High	Include regulations in Standing Orders issued to all Councillors.	All Members Clerk

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<p>requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate</p>	1. Lack of knowledge of budgetary process, and Council regulations	Low/High	Place item on agenda early in year to remind councillors of budget process and actions required.	All Members
	2. Lack of commitment to budgetary process	Low/High	As at 8.1 above Involve all Councillors in budgetary process not solely the Clerk.	
	3. Inadequate consideration of requirements for annual precept	Low/High	As at 8.1 above Start consideration of calculation at least 4 months prior to submission date	All Members All Members
	4. Calculation not in accordance with Council regulations	Low/High	Checks by RFO and Internal Auditor.	Clerk
	5. Inadequate internal controls with regard to monitoring expenditure	Low/High	Financial and budget progress reports to all Town Council meetings.	Clerk
	6. Election Costs	Medium/High	In an election year, estimated costs obtained from the Electoral Officer and included in the budget.	Clerk/All Members
	7. Reserves too low	Medium/High	In other years the Council provides a sum within its working balance to meet possible by-election costs. If necessary arrange instalment payment plan with Principal Authority As at 8.5 above.	All Members
<p>9. To explore all possible sources of income, and</p>		Medium/Medium	Work closely with local association and residents' groups to gain experience of all grants/funds available and application procedures.	Clerk All Members

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
to ensure that expected income is fully received	1. Lack of knowledge of possible sources of income e.g. grants, funding streams	Low/Medium	As at 9.1.	Clerk All Members
	2. Lack of commitment to pursue possible sources of income	Low/Medium	All applications and approvals reported through minutes to create an audit trail	Clerk
	3. Non receipt of sums claimed	Low/Medium	Financial and budget progress reports to all Town Council meetings. Internal audit checks.	Clerk Internal Review
	4. Receipts not banked or not banked promptly	Low/Medium	As at 9.3 above.	Clerk
	5. Debts not pursued promptly	Low/Medium	Ensure Clerk has appropriate and up-to-date VAT official publications. Financial and budget progress reports to all Town Council meetings.	Clerk Internal audit
	6. VAT claims not made promptly or made incorrectly		Internal review checks and internal audit	Internal Auditor

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
10. To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with Council regulations, and adequately monitored	1. Inappropriate rate of pay to employees	Low/Low	A contract of employment and job description and person specification is agreed for the Clerk Ensure employee regulations are available and understood by Clerk Financial and budget progress reports to all Town Council meetings. Terms and conditions are agreed in the minutes. Outsource payroll	All Members Clerk Clerk All Members Clerk
	2. Tax and NI arrangements not in accordance with regulations	Low/Low	No additional payment without Council approval	All Members
	3. Amounts paid to contractors not in accordance with contract and inadequately monitored	Low/Low	Liability reported through Council Minutes. Internal audit checks As at 10.1 above. Financial and budget progress reports to all Town Council meetings. Internal audit checks	Clerk Internal Review Clerk Internal Review Clerk Internal Review
11. 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	Low/High	Include financial regulations in Standing Orders. Attend training seminars where available.	All Members
	2. Late or non- submission of annual accounts	Low/High	Include a time table in Standing Orders/Financial Regulations. Financial and budget progress reports to all Town Council meetings.	Clerk Clerk
	3. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements	Low/High	Financial and budget progress reports to all Town Council meetings. Internal audit checks	Clerk Internal Review/Auditor
		Low/High	As at 11.3 above.	

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	4. Inadequate audit trail from records to final accounts			Internal Review/Auditor
12. 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 Town Council 2. Assets lost or misappropriated 3. Inadequate or inaccurate valuation of the Council's assets 4. Asset register not established or inadequately maintained	Medium/High Medium/High Medium/High Medium/High	Ascertain and record all assets for which Town Council is responsible. Create permanent asset register and include in final accounts. Establish who is responsible for security and maintenance of each asset. Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks. Create asset register in accordance with legislation	All Members Clerk All Members Clerk Internal Review/ Auditor Clerk
13. 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	Medium/Medium Medium/Medium Medium/High	Clerk to have all appropriate legislation available. Review liabilities and responsibilities periodically at Town Council meetings. Include, as appropriate, in any public consultations. As at 13.1 above	Clerk All Members All Members Clerk All Members

Aim	Risk	Likelihood/Impact	Method used to Minimise Risk	Person(s) Responsible
14. 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	Medium/High	Ensure that all current legislation and advice is held by Clerk. Include in asset register all properties and assets for which Town Council is responsible. Ensure all assets and details of all risks are adequately detailed with insurance company.	Clerk Clerk Clerk
	2. Lack of knowledge of safety requirements or commitment to carrying out safety checks	Medium/High	Ensure that all current legislation and advice is held by Clerk.	Clerk