



## St Mewan Parish Council Financial Risk and Management Schedule 2020/2021



### Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated, and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

Governance and Accountability for Smaller Authorities in England (March 2019).

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Parish Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic, and focused approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- Identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses, and revises procedures if required.

| <b>MANAGEMENT</b>      |   |              |   |  |
|------------------------|---|--------------|---|--|
| <b>Subject</b>         | <b>Risk/s Identified</b>  | <b>L/M/H</b> | <b>Management Control of Risk/s</b>   | <b>Review/Assess/Revise</b>              |
| Business Continuity    | Council not being able to continue business due to tragic or unexpected circumstances | Low          | All files and recent records are kept at the clerk's home. The clerk takes regular backup of files to Microsoft Cloud and external hard drive. In the event of the clerk indisposed the Chairman to seek advice from CALC | Annual Review: Business Continuity Plan. |
| Meeting Locations      | Adequacy and Health & Safety  | Low          | 3 village locations with access arranged. The Clerk holds a key to Trewoon Village Hall.<br>Inadequate parking at Polgooth VH and Sticker VH.   | Existing procedures adequate             |
| Meetings conducted via | Adequacy  | Low          | Cllr training carried out if required 'how to access'.  | Existing procedures adequate             |

|                            |  |              |   |   |
|----------------------------|--|--------------|---|---|
| Zoom due to Covid 19       | Inquorate due to loss of connection  | Low          | Meeting is terminated.  |   |
|                            | Amendment to Standing Orders for Remote Meetings Protocol and Procedures   | Low          | Procedures published on council's website.  | Assess information received.                                  |
|                            | Risk of confidential items being overheard.  | Low          | The chairman asks the public/press to exit. The host to lock the meeting before the closed session commences. The Chairman requests confirmation from members they cannot be overheard. | Revise if repealed earlier than the 7 <sup>th</sup> May 2021. |
| Council Records            | Loss through theft, fire, damage   | Med          | Documents are stored at the home of the clerk and a secure storage unit off site. Wood filing cabinets (not fireproof)  | Council to adopt a Records Management Policy                  |
| Council Electronic Records | Loss through theft, fire, computer failure, hacking, virus infiltration, no back up  | Med          | Electronic records are stored on the parish council laptop at the clerk's home. Backups of files taken at regular intervals. Anti-virus is installed.                                   | Existing procedures adequate                                  |
| Legal Records              | Inadequate application of loss, of rights arising from contracts and title property due to inability to locate legal documents | High         | Clerk maintains recent files of contracts and deeds   | Review and Assess annually                                    |
| <b>FINANCE</b>             |  |              |   |   |
| <b>Subject</b>             | <b>Risk/s Identified</b>   | <b>L/M/H</b> | <b>Management Control of Risk/s</b>   | <b>Review/Assess/Revise</b>                                   |
| Precept                    | Adequacy of precept  | Med          | The council must balance the delivery of services with the ability to pay for them. Sound budgeting to underlie annual precept. Detailed budgets are prepared in the                    | Existing procedures adequate                                  |

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|                  |                                  |     | autumn with a forecast of expenditure until year end March. The precept is considered by the Finance Committee prior to making a recommendation to Council in Dec/January  |  |
| Insurance        | Adequacy                         | Low | An annual review is undertaken of all insurance arrangements in place.   | Annual Review: Provision and compliance.                                 |
|                  | Cost                             | Low | 3yr agreement to ensure best value for money.  | Existing procedures adequate   |
|                  | Compliance                       | Low | Employers and Public Liability are a statutory requirement.  | Existing procedures adequate   |
|                  | Fidelity Guarantee               | Low | Fidelity Guarantee is a statutory requirement  | Existing procedures adequate   |
| Banking          | Inadequate checks                | Low | The Parish Council's Financial Regulations sets out the requirements.  | Existing procedures adequate   |
| Internet Banking | Loss of signatories              | Med | 4 Cllr signatories with 2 to authorise. Clerk submits payments   | Review annually or when the need arises                                  |
| Online payments  | Loss through theft or dishonesty | Low | Monthly bank reconciliation and monthly pay schedule prepared by the Clerk. Two signatures to authorise online payments. Internal control checks are carried out by non-signatory holders. Independent internal and external audit is undertaken. The Clerk has delegated authority as per council's financial regulations to spend prior to | Existing procedures adequate<br><br>Annual Review: Financial Regulations |

|                                      |   |      |  |                              |
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|                                      | Debts – incorrect payment                           | Low  | meeting approval and report to full council.<br>Copy of pay schedule to signatories  | Existing procedures adequate |
| Petty Cash                           | Loss through theft or dishonesty                    | Low  | Petty cash level is £20.00. The council has no debit card.   | Existing procedures adequate |
| VAT                                  | Reclaiming/Recharging.<br>Potential loss of income  | Low  | As set out in the council’s financial regulations.<br>VAT is reclaimed from HMRC on an annual basis and paid by BACS.<br>VAT is reclaimed by Polgooth Playing Field Trust through the body of the PC accounts and repaid into PFFT | Existing procedures adequate |
| Public Works Loan                    | Borrowing without financial test of detailed budget | High | Borrowing must be approved by full council. To seek advice from CALC/SLCC on any form of borrowing and affordability.  | Existing procedures adequate |
| Risk of consequential loss of income | Insurance cover inadequate                          | Med  | Insurance cover.<br>Important documents and deeds are backed up and taken of premises.   | Existing procedures adequate |
| Protect Parish Council funds         | Bank becomes insolvent.                             | Med  | Council to spread savings between banks.   | Annually Assess              |

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| Annual Governance and Accountability Return (AGAR) | Not submitted within time limits resulting in additional costs | Low | The Annual Return is completed after the Independent Internal Auditor and RFO, approved by Full Council and submitted to the External Auditor within the prescribed time limits.                      | Existing procedures adequate   |
| Independent Internal Auditor                       | Items flagged which could affect the compliance of the AGAR    | Low | Finance Committee reviews any response record making a recommendation to Full Council to action   | Existing procedures adequate   |
| Ear Marked Reserves                                | Adequacy of fund to ensure council can fulfil projects.        | Low | As set out in the Governance and Accountability for Smaller Authorities March 2018. Monitored by the Clerk.   | Council to adopt a Reserves Policy.  |
| General Fund                                       | Inadequate fund to pay debtors and clerks salary.              | Low | As set out in the Governance and Accountability for Smaller Authorities March 2018 Recommended between 3 - 12 months running costs of budget.   | Existing procedures adequate   |
| Financial Records                                  | Inadequate Records   | Low | The council have Financial Regulations that set out the requirements. Scribe Accounting is used, monthly bank reconciliation and budget monitoring is reported to Finance Committee and Full Council. | Annual Review: Financial Regulations   |
| Financial Controls                                 | Inadequate Checks  | Low | Internal Control Checks are carried out by a Cllr who is not a signatory holder as set out in the council's Financial Regulations.  | Report to Finance Committee and Full Council. Review annually: Financial Controls. |
| Payroll  | Poor timing of submissions to HMRC can incur fines.            | Low | Yearly and internal audit checks. Forms part of the Clerks internal control check. Records include RTI/PAYE/NI  | Existing procedures adequate   |

**GRANTS/DONATIONS**

| Subject | Risk/s Identified | L/M/H | Management Control of Risk/s | Review/Assess/Revise |
|---------|-------------------|-------|------------------------------|----------------------|
|---------|-------------------|-------|------------------------------|----------------------|

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| Grants                    | No transparency and accounting of grants. The 'power' to pay. | Low | Funds are accounted for separately in the body of the accounts and included in the budget. Applications need to meet the criteria as set out by the Parish Council. | Annual Review: Grant Policy                           |
| Donations                 | Lack of clarity   | Low | Ability to donate ad-hoc  | Annual Review: Council to adopt a Donation Policy     |
| Polgooth Charitable Trust | Overspend from Parish Council General Fund                    | Low | Maintenance of Polgooth Playing Fields including play equipment and ancillary items are included in the budget build for precepting.                                | Annual Review: Budget build                           |
|                           | Separate bank account and accounts                            | Low | As set out in the Governance and Accountability for Smaller Authorities March 2018. Monitored by the Clerk.   | Existing procedures adequate                          |
| Power to Pay              |   | Low | The Parish Council have adopted the General Power of Competence   | Annual Review: To ensure criteria is met to use GPOC. |

## ASSETS

| Subject   | Risk/s Identified   | L/M/H | Management Control of Risk/s  | Review/Assess/Revise   |
|---|---|-------|---|--|
| Land owned including managed land by the Parish Council.  | Incorrect accounting procedures resulting in implication with HMRC, Internal and External Audit | Med   | Establish parish council's roles and responsibilities through legal advice if necessary.  | Annual Review; Insurance purposes<br><br>Work in progress with solicitor's advice                          |
| Street furniture shelters, play equipment, ancillary items, salt bins, waste bins, dog bins, speed devices, picnic benches, notice boards | Loss or damage/risk<br><br>Damage to third party/ies property                                   | Med   | The Clerk keeps an asset register and insurance is held at the appropriate level for all items. Faults are reported to the clerk.<br><br>Asset labels with QR code and contact number on assets for ease of reporting | Annual Review: Asset Register<br><br>Assess: Council to adopt a policy on how inspections are carried out. |

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| Maintenance of Assets | Loss or damage/risk. Damage to third party/ies property. Poor performance of assets and amenities | Med | The Clerk has delegated authority to instruct contractors as per financial regulations and council procedures. | Annual Review                             |
| Trees                 | Loss or damage/risk. Damage to third party/ies property.  | Med |  | Council to adopt a Tree Management Policy |

### LIABILITY

| Subject   | Risk/s Identified                | L/M/H | Management Control of Risk/s   | Review/Assess/Revise              |
|---|----------------------------------|-------|--|-----------------------------------|
| Legal Powers                                      | Ultra Vires activity or payments | Low   | All activities and payments are assessed to confirm they are within the power of the Parish Council to spend, resolved at Full Council and clearly minuted. Clerk to clarify legal position on any new proposal if necessary. Legal expenses cover at Insurer's recommended level and reviewed by the Independent Internal Auditor. Where necessary the clerk seeks advice | Existing procedures adequate      |
|   | Committees and Working Party     | Low   | Establish Clear Terms of Reference   | Annual Review: Terms of Reference |
| Minutes, Agendas, Statutory documents and Notices | Inaccuracy and Legality          | Low   | Produced in a prescribed method by the Clerk and adheres to legal requirements.<br><br>Minutes are approved and signed at the next council meeting. Minutes and agendas are displayed according to the legal requirements.   | Existing procedures adequate      |

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|   | Business Conduct   | Low  | Business conducted at Council meetings should be managed by the Chair.  | Guidance/training given if required. Members to adhere to the Code of Conduct and Standing Orders<br>Annual Review: Standing Orders |
| Covid 19 Statutory Notices                            | Failure to display on notice boards due to non-essential travel                                    | Med  | Produced in a prescribed method by the Clerk and published on the council's website. Approved at virtual meeting. No wet signature.   | Existing procedures adequate  |
| Public Liability                                      | Non-compliant-risk to 3 <sup>rd</sup> Party property or individuals with costs to the parishioners | Low  | Insurance in place at insurer's recommendation. Risk assessment of any individual event   | Existing procedures adequate<br><br>Annual Review: Insurance policy   |
| Employers/ee Liability                                | Comply with Employment Law   | Low  | Clerk to monitor changes in legislation. Employer liability and Personal accident cover at insurer's recommended level for employees, members and volunteers. Council to understand Pension Auto Enrolment. | Existing procedures adequate<br><br>Annual Review: Insurance policy   |
| Councillor Liability                                  | Casing injury (damage to Cllrs)  | Low  | Insurance cover and risk assessment   | Annual Review: Insurance and Risk Assessment  |
| Legal Liability                                       | Legality of activities   | Low  | Clerk to clarify legal position on proposals and to seek advice if necessary.   | Existing procedures adequate  |
|   | Proper documents control   | Low  | Policy provision  | Council to adopt a Retention of Documents Policy  |
| Legal Liability as consequence of asset ownership and | Insurance claims   | High | Periodic and specific risk assessment.  | Existing procedures adequate  |



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| managed areas                              |                                    |           |   |                                  |
| Covid 19                                   | Risk of transmission               | High      | Separate risk assessment for play areas. Notices on play equipment and social distancing notices at open spaces and allotments for Covid 19 adhering to government guidelines                       | Revise                           |
| Freedom of Information and Data Protection | Policy provision                   | Low – Med | The council has the following on the website:<br>Model publication scheme<br>Privacy data notices<br>Data Protection Policy<br>GDPR Policy<br>Registered with the Information Commissioner's Office | Annual Review:<br>GDPR Reporting |
| Website Accessibility                      | Not meeting the legal requirements | Low       | Accessibility statement is published on the council's website. The website meets The Public Sector Bodies (Websites & Mobile Applications No.2) Accessibility Regulations 2018.                     | Existing procedures adequate     |

#### **EMPLOYMENT**

| <b>Subject</b>                          | <b>Risk/s Identified</b> | <b>L/M/H</b> | <b>Management Control of Risk/s</b>   | <b>Review/Assess/Review</b>            |
|---|--------------------------|--------------|---|--|
| Clerk's salary and any associated costs | Salary paid.             | Low          | Salary rates are based on the National Joint Council for Local Government Services. Confidential minute of scale point. The clerk has a contract of employment and job description. Additional hours are agreed by resolution. Salary is paid on the 1 <sup>st</sup> month. | Annual Salary Review<br><br>Appraisals |
|   | Incorrect hours paid.    | Low          | Yearly internal and external audit. Forms part of the internal control check. Records include RTI for PAYE/NI   | Existing procedures adequate           |
|   | Health & Safety          | Low          | All employees to be provided adequate direction and safety equipment needed to undertake their role. Reference books, access to training and legal  | Existing procedures adequate           |

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|  | Non-availability of clerk, disruption to council business | Low | advice. To monitor the clerks, work conditions at home.<br>Temp cover of locum clerk | Existing procedures adequate |
|  | Loss of Clerk   | Low | A contingency fund should be established to enable training.                         | Existing procedures adequate |

**INCOME**

| <b>Subject</b>                                 | <b>Risk/s Identified</b>  | <b>L/M/H</b> | <b>Management Control of Risk/s</b>   | <b>Review/Asses/Revise</b>                  |
|--|---|--------------|---|---|
| Allotment Holders                              | Receipt of cash payments  | Low          | Clerk is responsible for Allotment Tenancy Agreements and collection of rent on the 1 <sup>st</sup> April. Receipts are given to all Allotment holders and reported to Full Council. Forms part of the Internal Control Check | Annual Review: Allotment Rent               |
| Grazing License                                | Bacs Payment  | Low          | Receipts reported to Full Council.  | Annual Review: Grazing License              |
| Scouts Association Lease                       | Cheque Payment  | Low          | Receipts reported to Full Council   | No review due to covenant                   |
| Community Benefit Fund From Clean Earth Energy | No transparency and accounting of expenditure to benefit the community. | Med          | Funds are accounted for separately in the body of accounts. They do not form part of the budget. Resolved at Full Council to spend funds for the benefit of the parish. Receipts reported to Full Council.                    | Council to adopt a Community Benefit Policy |
| Feed in Tariffs                                | Audit challenge   | Med          | Funds are accounted for and ring fenced in the body of accounts. They do not form   | Assess/Work in Progress                     |

|  |   |              |   |  |
|--|---|--------------|---|--|
|  |   |              | part of the budget. Receipts reported to Full Council.  |  |
| Trewoon Social Fund                            | No transparency and accounting of expenditure to benefit the community. | Low          | Funds are accounted for and ring fenced in the body of accounts. They do not form part of the budget. One off payment.  | Existing procedures adequate   |
| Community Infrastructure Levy                  | Not spending within the timeframe. Repay to CC.                         | Med          | Funds are accounted for and ring fenced in the body of accounts. They do not form part of the budget.   | Annual Review<br>5-year time limit to spend.                             |
| S106 funding                                   | Not identifying a project. Loss of funding.                             | Med          | Application to Cornwall Council. CC to earmark funds if application is accepted.  | Annual Review:<br>5 year time limit to spend.                            |
| <b>Subject</b>                                 | <b>Risk/s Identified</b>  | <b>L/M/H</b> | <b>Management Control of Risk/s</b>   | <b>Revise/Assess/Review</b>  |
| Best Value Accountability                      | Work awarded incorrectly  | Low          | The Council's Financial Regulations sets out the procurement requirement.   | Annual Review: Financial Regulations<br><br>Existing procedures adequate |
|  | Overspend on services   | Med          | Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods under £25,000, unless a council need to expediate a service to benefit the public. An extension to contract clause with an existing PC contractor may be considered providing it does not exceed 50% of the original contract. For major contract over £25,000 services, formal competitive tenders would be sought. | Existing procedures adequate   |
| Emergency Scheme of Delegation due to Covid 19 |   |              | Delegates authority to the Clerk in consultation with the Chairman and Vice Chairman to take any actions necessary with   | Review: Scheme of Delegation   |

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|  |  |  | associated expenditure to protect the interests of the community. Ensure council business continuity during the period of the pandemic Coronavirus during any period of restricted activity declared by the Government informed by consultation with the members of the council remotely/virtual when appropriate. The delegation does not extend to Council matters set in statute. | Review: Financial Regulations |
|--|--|--|--|-------------------------------|

### **COUNCILLOR PROPRIETY**

| <b>Subject</b>    | <b>Risk/s Identified</b> | <b>L/M/H</b> | <b>Management Control of Risks/s</b>  | <b>Revise/Assess/Review</b>                              |
|-------------------|--------------------------|--------------|---|--|
| Members Interests | Conflict of Interest     | M            | Councillors have a duty to declare any interest at the start of the meeting or when a conflict becomes apparent during a meeting. | Existing Procedures Adequate                             |
|                   | Register of Interests    | L            | Register of Members Interests form to be reviewed at least on an annual basis. Registers are published on the website             | Members to take responsibility to update their register. |

### **COUNCIL REPUTATION**

|                      |   |   |  |   |
|----------------------|---|---|--|---|
| Councillor and Staff | Bringing the Council into disrepute<br><br>Policy Provision | M | Councillors understand and receive training on the Code of Conduct. A professional approach is undertaken on all Parish Council matters. | Councillors to update their training.<br><br>Members to identify any training needs.<br><br>Annual Review: Social Media and Electronic Policy |
|----------------------|---|---|--|---|