



## St Mewan Parish Council Financial Risk and Management Schedule 2022/2023



### 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 2020).

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. 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

			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/Deputy 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/Deputy Clerk has delegated authority as per council's financial	Existing procedures adequate  Annual Review: Financial Regulations

	Debts – incorrect payment	Low	regulations to spend prior to meeting approval and report to full council.  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. Potential loss of income	Low	As set out in the council’s financial regulations. VAT is reclaimed from HMRC on an annual basis and paid by BACS. 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. 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/Work in Progress

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 2020. 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 2020 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**

<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>
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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  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  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.  Asset labels with QR code and contact number on assets for ease of reporting	Annual Review: Asset Register  Assess: Council to adopt a policy on how inspections are carried out.

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/Deputy 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/Deputy Clerk and adheres to legal requirements.  Minutes are approved and signed at the next council meeting. Minutes and agendas are displayed according to the legal requirements.	Existing procedures adequate

	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 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  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  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



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: Model publication scheme Privacy data notices Data Protection Policy GDPR Policy Registered with the Information Commissioner's Office	Annual Review: 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 Deputy Clerk 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  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

	Non-availability of clerk, disruption to council business	Low	advice. To monitor the clerks, work conditions at home. 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	Bacs 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 part of the budget.	Assess/Work in Progress

			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 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: 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  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

			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
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### COUNCILLOR PROPRIETY

Subject	Risk/s Identified	L/M/H	Management Control of Risks/s	Revise/Assess/Review
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  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.  Members to identify any training needs.  Annual Review: Social Media and Electronic Policy
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Reviewed and Adopted at an Extra Ordinary General Council Meeting 23<sup>rd</sup> March 2022

Minute No: EOM5/22

Review: 20<sup>th</sup> April 2022

Minute No: OC248/22