

PORLOCK PARISH COUNCIL

BUSINESS RISK ASSESSMENT

IN CONJUNCTION WITH THE

**GOVERNANCE AND ACCOUNTABILITY FOR SMALLER AUTHORITIES IN ENGLAND
(THE PRACTITIONERS GUIDE)**

PREPARED BY THE RESPONSIBLE FINANCIAL OFFICER (RFO)

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PORLOCK PARISH COUNCIL – BUSINESS RISK

TOPIC	RISK IDENTIFIED	Likelihood	Severity	Management of Risk	Status
	1. Financial				
Invoices & payments	Incorrect amounts shown on cheque or paid by bank transfer, made payable to wrong party or blank cheque. Payments made late.	L	M	Payments made in accordance with Financial Regulations. Bank transfer payments made by RFO. Two authorised signatures required on cheques. Invoices to be checked against payments – a copy of invoices to be sent to all councillors.	Review
Budgets	Insufficient funds are available to meet financial demands	L	H	Alpha software receipts and payments updated monthly by RFO and bank reconciliation carried out. Monthly bank rec & reports reported to Full Council (FC), signed by Chair and made public.	Review
Internal Control	Financial Regulations are not being adhered to leading to a possible breakdown in the financial control of the council	L	H	RFO takes responsibility for production of monthly bank rec & reports, end of year accounts & budget forecasts, all presented to FC for approval. Fin Com meets quarterly as a minimum to monitor budget. Annual review by Internal Auditor.	Review
Bank Reconciliation	Financial Report does not reconcile with bank statement	L	L	Alpha receipts and payments updated by RFO on a monthly basis and reconciled with bank statements.	Review
PAYE/ NI	Late or non payments resulting in possible interest charges being imposed	L	M	Payroll outsourced. Payroll print outs/payments checked by RFO, authorised by FC each month. RFO makes salary payments by bank transfer, authorised by FC.	Review

				RFO makes monthly payments for HMRC, authorised by FC.	
Council control over payments	Council loses control over authorisation of payments	L	H	Authority for payment is made in line with the Financial Regulations and bank mandate approved by FC.	Review
Petty Cash	Record of petty cash maintained	L	M	Use of petty cash is kept to a minimum.	Review
Unauthorised expenditure	Councillor commits council to an expenditure not authorised by council or RFO	L	H	All payments must be authorised by council, committee or an officer in accordance with the council's Financial Regulations. No individual councillor has authority to commit or authorise expenditure of the council's funds.	Review
Lost financial data	Financial data is lost due to software or hardware failure	M	H	System is backed up to the Cloud. Council subscribes to Rialtas Cloud.	Review
Insurance	Failure to renew insurance or keep cover up to date	M	H	Insurance policy is reviewed annually at FC to ensure adequate cover is maintained.	Review
Ad hoc provision of facilities/amenities for events to community groups	Public liability	L	H	Adequate insurance in place. Ask for hirers insurance and Risk Assessments as appropriate.	
2. Health and Safety					
Property & contents owned by council	Loss or damage	M	H	Up to date register of assets & investments. Property maintenance schedule & adequate insurance in place.	
Damage to third party property or individuals	Public liability	M	H	Property maintenance schedule & adequate insurance in place.	

Risk Assessment	Failure to carry out suitable and sufficient risk assessment and ensure that corrective actions are dealt with within agreed time frames	M	H	Annual review of Risk Management documents/procedures by FC. All fixed assets reviewed at least annually and reported to FC.	Review
Equipment	Equipment not in correct working order	M	M	All equipment (small hand tools or office equipment) used and maintained by trained personnel or maintained in accordance with lease agreements. Annual PAT testing of electrical items carried out in Parish Office.	Review
Fire Procedures	Failure to maintain fire regulations and procedures resulting in possible injury or death to persons, or damage to property	M	H	Annual fire safety inspection carried out by independent professional at Parish Office. Recommendations to be implemented. Fire Warden training to be provided on a regular basis.	Review
First Aid	Lack of provision of basic first aid equipment and qualified First Aiders	L	H	Adequate first aid equipment is provided and checked on a regular basis. Good practice to have a named first aider for the OSC.	Review
Site Visits	Danger of councillors or officers being injured whilst visiting site	M	H	If a councillor considers that a site visit is outside normal activities, a Risk Assessment should be carried out.	Review
	3. Legal				
Legal liability as a consequence of asset ownership	Public liability	L	H	Annual property maintenance schedule & adequate insurance in place.	Review

Council acts in an Ultra Vires way	Council makes an unlawful decision or one in which they had no power to do so	L	H	Clerk to ensure, as far as possible, that legislation permits action. Where there is reasonable doubt, no action is to be taken until professional advice is provided in writing.	Review
Contracts and Best Value Principles	Council fails to follow procedures contained in Financial Regulations.	L	M	Negotiations for new, or the renewal of contracts, are always carried out in accordance with the Financial Regulations.	Review
Grants/ Section 137 LGA 1972 payments	Section 137 payments are subject to a maximum amount per elector which cannot be exceeded	L	H	Ensure proper use of funds granted to community groups under specific powers. RFO to ensure that the Section 137 limit is not exceeded	Review