

















STRATEGIC RISKS

AIM	RISK	Method used to minimise risk	Timescale for implementation	UNDERLYING RISK LEVEL Likelihood x Impact	MANAGED RISK LEVEL Likelihood x Impact	Status  Risk Controlled  Action required  Aim is not being achieved  Risk Falling  No Change  Risk Rising	Person(s) Responsible
1. To ensure compliance with the Acts of Parliament, Council's Standing Orders, Financial Regulations and Code of Conduct.	1. Lack of knowledge of regulations and codes.	(a) Ensure that all Councillors have copies of Code of Conduct and Standing Orders together with the "Good Councillor Guide". Highlight essential parts and provide training where required. Re-issue Annually. (b) Experienced and competent Parish Clerk/Staff	No Action required at this time	(3x4) = 12	(1x4) = 4	 	All Councillors, Parish Clerk
	2. Standing orders are out of date.	(a) Ensure that Standing Orders are produced, understood by Councillors, and reviewed at least once per year.	No Action required at this time	(2x3) = 6	(1x3) = 3	 	All Councillors, Parish Clerk
	3. Actions by the Parish Council outside its powers laid down by Parliament.	As at 1. above.	No Action required at this time	(2x4) = 8	(1x4) = 4	 	Council as advised by Parish Clerk
	4. Lack of commitment and adherence to regulations and procedures.	(a) Regular reference to appropriate regulations in agenda items. (b) Reports/motions put forward by Members should contain a comment by the Parish Clerk (c) No delegation of responsibilities to individual Councillors (as there is no legal power).	Motions should be checked by the appropriate member or the Clerk in advance.	(2x3) = 6	(1x3) = 3	 	Chairman of Committees All Councillors Ongoing responsibility as advised by Parish Clerk
			No Action required at this time			 	Parish Clerk to monitor - Ongoing responsibility

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	5. Items/services purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	(a) All purchases that need tendering to go through the Parish Clerk's Office. (b) Ensure that all Councillors are aware of regulations re estimates and full tender procedures. (c) Review purchasing and contract procedure rules. (d) Adequate controls validated by regular Internal Audit	Review levels for tendering.	(3x3) = 9	(1x3) = 3		Parish Clerk acting as Responsible Finance Officer. Financial Regulations reviewed in May 2016 Committee to identify any areas it wishes to examine in addition to standard review.
	6. Payments made without prior approval and adequate control.	(a) Ensure all payments are approved in Council meetings and recorded in minutes. (b) Keep cash payments to a minimum and avoid if possible. (c) Review payment procedures (d) All cheques must be signed by at least 2 Members plus Parish Clerk (e) Adequate controls validated by regular Internal Audit (f) Electronic payments to be separately categorised when reported to Council	Appoint auditor	(3x3) = 9	(1x3) = 3		Council to appoint Internal Auditor to undertake annual review.
	7. Lack of control of signatories to cheques.	(a) Keep authorised signatories to a minimum consistent with practicalities. (b) Signatories approved by Council	No Action required at this time	(2x3) = 6	(1x3) = 3		Parish Clerk acting as Responsible Finance Officer Council review signatories annually.
	8. VAT not properly accounted for, resulting in overclaims and large demands from C&E.	(a) Ensure appropriate publications held and that Clerk has adequate knowledge of regulations. (b) Adequate controls validated by regular Internal Audit (c) VAT return every quarter	No Action required at this time	(3x3) = 9	(1x3) = 3		Parish Clerk acting as Responsible Finance Officer Council to appoint Internal Auditor to undertake review
2. To identify and regularly review the Council's priorities, using a risk based approach, to ensure these are clear and achievable.	1. Lack of knowledge of how to set objectives, set priorities, and identify risks resulting in lack of clarity, direction and appropriate allocation of resources.	(a) All Councillors to be made aware of need for objectives and identification of risk. (b) Attend training sessions if practicable. (c) Establish agreed priorities that are matched to available resources.	Raise awareness at PC Meeting	(2x3) = 6	(1x3) = 3		Chairman and all Councillors
	2. Lack of "buy in" by council members to a risk based approach.	(a) Review risk assessment annually (b) All reports and proposals to provide a risk assessment	Raise awareness at PC Meeting	(3x3) = 9	(1x3) = 3		Chairmen of Committees and all Councillors–
	3. No risk analysis carried out.	As at 2.2 above.	No Action required at this time	(3x4) = 12	(1x4) = 4		All Councillors
	4. No steps taken to combat identified risks	As at 2.2 above.	No Action required at this time	(3x4) = 12	(1x4) = 4		Parish Clerk Chairman and Chairmen of All Committees.

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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.	(a) Establish a Communication Plan (b) Attend invited events that are likely to impact the Parish (c) Lack of adequate feedback to Council	Create communication plan	(4x3) = 12	(1x3) = 3	● ↔	Parish Clerk All Councillors on Outside Bodies
	2. Lack of effective lines of communication with parishioners.	(a) Take every opportunity to publicise role of Parish Council. (b) Create Parish newsletter if none exists. (c) Effective use of notice boards and “fliers”. (d) Use website to publicise Parish Council work (e) Use key issues to raise profile of Parish Council and to test parishioner’s views. (f) Support creation of annual Parish Council plan and put to parishioners for comment. (g) Create Community Engagement Policy (h) Implement Community Engagement Plan	Create Community Engagement Policy	(4x4) = 16	(1x4) = 4	● ↔	Chairman, all Councillors and Parish Clerk
	3. Lack of preparation on subjects requiring influence.	(a) 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.	Create policy to identify Part II agenda items. Chairman to reiterate that preparation for meetings is required	(3x3) = 9	(1x3) = 3	● ↔	All Councillors as advised by Parish Clerk
	4. Lack of confidence by Parish Councillors.	(a) Experienced councillors to assist newcomers to establish essential contacts.	No Action required at this time	(4x2) = 8	(1x2) = 2	✓ ↔	All Councillors
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 responsibility and liability of Councillors.	(a) Familiarisation with Standing Orders and Good Councillor Guide.	No Action required at this time	(4x2) = 8	(1x2) = 2	✓ ↔	All Councillors
	2. Lack of education of Councillors regarding responsibility and liability.	(a) Experienced councillors to assist newcomers (protocol agreed). (b) Attend any training courses available. (c) Attend training on Financial Management as required	To Establish Annual Financial Management & Responsibilities Training.	(4x2) = 8	(1x2) = 2	● ↔	All Councillors
	3. Inadequate insurance cover taken out – Property, personal liability, employer’s liability.	(a) Review annually at Finance Committee	No Action required at this time	(3x4) = 12	(1x4) = 4	✓ ↔	Parish Clerk Chairmen of Business and Resources`
5. To keep appropriate books of account accurately and up to date	1. Lack of knowledge of accounting requirements.	(a) Ensure that all Councillors are familiar with current financial regulations and include them in standing orders. (b) Regularly review Financial Regulations.	No Action required at this time	(4x4) = 16	(1x4) = 4	✓ ↔	Parish Clerk acting as Responsible Finance Officer

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throughout the financial year.	2. Lack of commitment to accounting requirements.	(a) Ensure that all Councillors are familiar with current financial regulations and include them alongside standing orders. (b) Responsible Finance Officer to produce quarterly financial reports as part of the Governance and Performance Monitoring Report to Business and Resources. (c) Internal audit to be undertaken annually plus review of adequacy by Finance Committee. Reports to be made available to all Councillors and any recommendations to be acted upon promptly.	No Action required at this time	(3x4) = 12	(1x4) = 4	✓ ⇄	Parish Clerk acting as Responsible Finance Officer Finance Committee Council
	3. Bank charges unnecessarily incurred.	(a) Responsible Finance Officer to carry out regular inspection of books of account.	No Action required at this time	(2x1) = 2	(1x1) = 1	✓ ⇄	Parish Clerk acting as Responsible Finance Officer - ongoing
	4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations.	(a) Responsible Finance Officer to ensure that accounts and systems are kept in such a way that internal controls are included and activated. (b) Accounting system that performs integrity checks and balances (c) Regular internal audits to advise on internal controls required.	No Action required at this time	(2x4) = 8	(1x4) = 4	✓ ⇄	Parish Clerk acting as Responsible Finance Officer B&R reviewing financial reports
	5. Inaccuracies and interest losses caused by account transfers.	(a) Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest bearing account.	No Action required at this time	(2x3) = 6	(1x3) = 3	✓ ⇄	Parish Clerk acting as Responsible Finance Officer Chairman of Finance Committee Interest rates are historically low and likely to fall further. Once the current economic situation becomes clearer a review will be undertaken.
	6. The most beneficial interest terms not being obtained.	(b) Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives, but bearing in mind the risks in changing accounts.	Consider if interest rate change significantly	(2x4) = 8	(1x4) = 4	● ⇄	See 5 above
	7. Inadequate control of cash receipts and payments.	(a) Avoid cash payments and receipts if possible. (b) Where cash payments and receipts are unavoidable a properly controlled petty cash account with a set maximum balance.	No Action required at this time	(4x3) = 12	(1x3) = 3	✓ ⇄	Parish Clerk acting as Responsible Finance Officer - ongoing
	8. Books of account not kept up to date/invoices not posted promptly.	(a) Regular checks by Responsible Finance Officer and internal auditor. (b) Responsible Finance Officer to produce quarterly financial reports as part of the Governance and Performance Monitoring Report to the Finance Committee. (c) Accounting system to perform internal control and integrity checks	No Action required at this time	(3x4) = 12	(1x4) = 4	✓ ⇄	Parish Clerk acting as Responsible Finance Officer Finance Committee reviewing budget reports. Bank Reconciliations

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	9. Internal controls not in place or not operated.	As at 5.8 above.	No Action required at this time	(3x4) = 12	(1x4) = 4	✓ ↔	Parish Clerk acting as Responsible Finance Officer – review by B&R Committee
	10. Payments missed or delayed due to inadequate filing of invoices.	As at 5.8. above.	No Action required at this time	(3x4) = 12	(1x4) = 4	✓ ↔	Parish Clerk acting as Responsible Finance Officer – review by B&R Committee
	11. Clerk taken ill or leaves without replacement.	(a) Working Procedures to be documented and given to Staff Committee. (b) Identify source for hiring a Temporary Clerk.	Update Working Procedures. Identify a source for a temporary Clerk.	(3x3) =9	(1x3) =3	● ↔	Parish Clerk acting as Responsible Finance Officer Chairman of Staff Committee
	12. The tendering process being carried out in a manner that does not ensure fairness to tenderers or inspire public confidence in the tendering process.	(a) Adequate procedures set out in contract procedure rules (b) Tender processes reported to the Business and Resources Committee	No Action required at this time	(2x4) = 8	(1x4) = 4	✓ ↔	Parish Clerk acting as Responsible Finance Officer
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.	1. Lack of knowledge of wishes of residents.	(a) As at 3.2 above.	Linked to Gold Award Plan and NDP	(4x4) = 16	(1x4) =4	●	All Councillors
	2. Use of funds not giving value for money.	(a) Effective budget planning processes. (b) Creation of a medium term financial plan linked to priorities (c) Expenditure monitored	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ↓ Risk Falling	Parish Clerk acting as Responsible Finance Officer Chairman Business and Resources Committee Chairman of Direction and Strategy
	3. Charges for use of facilities inadequate.	(a) Effective financial management by Responsible Finance Officer. (b) regular review of Fees and Charges at least at budget setting time. (c) Internal audit checks.	No Action required at this time	(3x2) = 6	(1x2) = 2	✓ ↔	Parish Clerk acting as Responsible Finance Officer Chairman of Direction and Strategy Committee
	4. Fund raising not properly controlled or not in accordance with regulations.	(a)All Councillors to be aware of need to check regulations before commencing fund-raising activities. (b) Effective financial management by Responsible Finance Officer.	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ↓ Risk Falling	All Councillors Parish Clerk acting as Responsible Finance Officer

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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 Council regulations.	(a) Include Financial Regulations alongside Standing Orders issued to all Councillors. (b) Include within review of budget process and actions required through training	No Action required at this time	(3x3) =9	(1x3) = 3	✓ ⇄	Parish Clerk acting as Responsible Finance Officer to re-issue and publish on website
	2. Lack of commitment to budgetary process.	(b) Involve all Councillors in budgetary process and are clear about responsibilities.	No Action required at this time	(3x3) =9	(1x3) = 3	✓ ⇄	Parish Clerk Chairman of Committees All Councillors
	3. Inadequate consideration of requirements for annual precept.	(a) Place item on agenda early in September remind councillors of budget process and actions required.	No Action required at this time	(3x4) =12	(1x4) = 4	✓ ⇄	Parish Clerk
		(b) Start consideration of calculation at least 3 months prior to submission date.	No Action required at this time				Parish Clerk
		(c) see 6 (2b) above.	No Action required at this time				Chairman of Direction and Strategy
	4. Calculation not in accordance with Council regulations.	(a) Checks by Responsible Finance Officer and Internal Auditor.	No Action required at this time	(2x3) =6	(1x3) =3	✓ ⇄	Parish Clerk acting as Responsible Finance Officer
	5. Inadequate internal controls with regard to monitoring expenditure.	(a) Checks by Responsible Finance Officer and Internal Auditor. (b) Summary of Financial and budget progress reports to Council with payment information.	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ⇄	Parish Clerk acting as Responsible Finance Officer
6. Reserves set at wrong level.	(a) Monitored by RFO quarterly (b) Considered annually by Council as part of budget setting.	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ⇄	Parish Clerk acting as Responsible Finance Officer	
7. Mid Year requirements not covered by Precept.	Utilise the reserve funding but carry out risk assessment and community engagement.	No Action at this time			■	Parish Clerk acting as Responsible Finance Officer Finance Committee All Members	
8. To explore all possible sources of income and to ensure that expected income is fully received.	1. Lack of knowledge of possible sources of Income, e.g. grants.	(a) To be considered as part of any new scheme or change of service	PC to consider whether to any fund raising.	(4x3) = 12	(2x3) = 6	● ⇄	Parish Clerk Chairman All members
	2. Lack of commitment/resources to pursue possible sources of income.	As at 8(1a) above.		(4x3) = 12	(2x3) = 6	● ↓	Parish Clerk Committee Chairman
	3. Receipts not banked or not banked properly.	Bank statement checks Internal audit checks.	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ⇄	Responsible Finance Officer













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9. To ensure that salaries paid to Employees and amounts paid to Councillors and contractors are paid in accordance with council regulations, and adequately monitored.	4. Debts not pursued promptly.	Cross check between systems Internal audit checks.	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ⇄	Responsible Finance Officer
	5. VAT claims not made promptly or made incorrectly.	Ensure Clerk has appropriate and up to date VAT official publications.	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ⇄	Chairman of Business and Resources Parish Clerk trained
	1. Inappropriate rate of pay to employees.	(a) Ensure employee regulations are available and understood. (b) Contracts of employment are in place for all staff and updated as required (c) Payroll entered by Parish Clerk and checked by Staff Committee. (d) Review Salaries annually in line with responsibilities. (e) Performance reviews to be carried out quarterly	Staff Committee to set up performance reviews.	(2x3) = 6	(1x3) = 3	● ⇄	Parish Clerk Finance Committee Staff Committee
	2. Tax and NI arrangements not in accordance with regulations.	(a) RTI payroll system	No Action required at this time	(3x3) = 9	(1x3) = 3	✓ ⇄	Parish Clerk to keep under review.
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.	(a) Include financial regulations alongside standing orders. (b) Attend training seminars where available. (c) Arrange locally -based training for interested Councillors whenever possible. (d) Keep record of Councillors' and Staff Training.	Update records of training and put them on the web site.	(3x4) = 12	(1x4) = 4	● ⇄	Parish Clerk acting as Responsible Finance Officer Council All Councillors
	2. Late or non-submission of annual accounts.	(a) External Auditor sets timetable for Annual Return and sends it to the RFO..	No Action required at this time	(4x4) = 16	(1x4) = 4	✓ ⇄	Parish Clerk acting as Responsible Finance Officer Council
	3. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements.	(a) Internal audit checks. (b) separation of duties and checks	No Action required at this time	(3x4) = 12	(1x4) = 4	✓ ⇄	RFO Internal Auditor
	4. Inadequate audit trail from records to final accounts.	As at 10(3a) above.	No Action required at this time	(3x3) =9	(1x3) =3	✓ ⇄	RFO Internal Auditor
11. To identify, value and maintain all assets of the Parish Council and ensure that asset and investment	1. Lack of knowledge of assets of Parish Council.	(a) Ascertain and record all assets for which Parish Council is responsible. (b) Create permanent asset register. (c) Update at least quarterly (d) Ward checks by Ward Councillors		(3x3) =9	(1x3) =3	● ⇄	Parish Clerk/Councillors

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registers are complete, accurate and properly maintained.	2. Assets lost or misappropriated.	(a) Establish who is responsible for security and maintenance of each asset. (b) Asset register to be reported to Finance Committee for review at least annually.	No Action required at this time	(3x3) =9	(1x3) =3	✓ ⇄	Parish Clerk/RFO
	3. Inadequate or inaccurate valuation of the Council's assets.	(a) Arrange for periodic review of valuations and arrange for professional valuation where necessary. (b) Annual check of assets vs insured (c) Annual report to Finance Committee.	No Action required at this time	(3x4) = 12	(1x4) =4	✓ ⇄	Parish Clerk/RFO
	4. Asset register not established or inadequately maintained.	(a) Create asset register in accordance with Audit Commission requirements.	No Action required at this time	(3x3) =9	(1x3) =3	✓ ⇄	Parish Clerk/RFO
12. To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children, etc.	1. Lack of knowledge of applicable legislation.	(a) Parish Clerk to have all appropriate legislation available. (b) Council to have an appropriate policy in place (c) CiLCA qualified Parish Clerk.	Create equality and safeguarding Policies.	(3x4) =12	(1x4) = 4	● ✓ ⇄	Parish Clerk Chairman
	2. Lack of public awareness of applicable legislation.	(a) Include, as appropriate, in any public consultations/reports.	No Action required at this time	(4x2) = 8	(1x2) =2	✓ ⇄	All Councillors
	3. Failure to comply with applicable legislation.	As at 12(1) above.	No Action required at this time	(3x4) = 12	(1x4) =4	✓ ⇄	All Councillors
	4. Councillors lacking knowledge of applicable legislation.	Arrange appropriate training for Councillors.		(3x4) = 12	(1x4) =4	● ⇄	Parish Clerk will action after Elections
13. 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.	(a) Create and adopt Health and Safety Policy (b) Ensure that all current legislation and advice is held by Clerk. (c) Include in asset register all properties for which Parish Council is responsible.	Create a health and safety policy.	(3x3) =9	(1x3) =3	● ✓ ⇄	Parish Clerk Chairman of Finance Committee and Chairman of Staff Committee
	2. Lack of knowledge of safety requirements	(a) Adopt a Health and Safety Policy (b) Adequate risk assessments	No Action required at this time	(3x4) = 12	(1x4) =4	● ✓ ⇄	Parish Clerk Chairman of Staff Committee
	3. Lack of resources to carry out safety checks.	Safety checks are done by Caretaker, Clerk or by contractors arranged by the School.	No Action required at this time	(3x4) = 12	(1x4) =4	✓ ⇄	Parish Clerk Chairman of VHMC

SIGNIFICANT OPERATIONAL RISKS

AIM	RISK	METHOD USED TO MINIMISE RISK	Timescale for implementation	UNDERLYING RISK LEVEL Likelihood x Impact	MANAGED RISK LEVEL Likelihood x Impact	Status  Risk Controlled  Action required  Aim is not being achieved  Risk Falling  No Change  Risk Rising	Person(s) Responsible
O1. To safeguard staff after meetings	1. Unknown person enters building after meeting and confronts lone worker. 2. Lack of adequate lighting once internal lights switched off when shutting building, which could result in accident or being vulnerable to attack	If only one member of staff present at meetings then the Chairman or another nominated councillor should remain until the open areas of the building have been checked and the front door secured. Parish Clerk to keep main door locked if working alone.	No Action Outstanding	(2x4) = 8 (2x4) = 8	(1x4) = 4 (1x4) = 4	   	The Meeting Chairman GPC as Landlord
O2. To ensure the ability to pay bills and staff.	1. Slow response to request to change bank mandates leaving Council unable to authorise cheque payments.	a) Attempt to keep at least 3 councillors on the list from year to year and avoid making frequent changes. b) Move as many payments as possible to electronic on-line payments	No Action required at this time	(4x3) = 12	(1x3) = 3	 	Council RFO

RISK LEVEL MATRIX

IMPACT ON COUNCIL LIKELIHOOD	1	2	3	4
1	1	2	3	4
2	2	4	6	8
3	3	6	9	12
4	4	8	12	16

CONSEQUENCES OF IMPACT	
1	Temporary or minor impact on Customer, finance or reputation – impact over less than a month
2	Some impact on reputation and/or finances – impact less than 3 months
3	Substantial impact with moderate financial or reputational consequences – impact up to a year
4	Significant impact with likely large scale financial or reputational consequences – impact over more than one year

LIKELIHOOD	
1	Unlikely to happen – once in 20 years or more
2	Unlikely to happen – once in 10 years
3	Likely to happen within the 4 year term of Council
4	Very likely to happen within year or has happened recently

	Overall risk is low. Regular monitoring but action not urgently required
	Overall risk is medium. Monitoring essential and action required to mitigate risks
	Overall risk is high. Essential action is required immediately to manage risk.