

ALVANLEY PARISH COUNCIL

GENERAL RISK ASSESSMENT

Introduction

Risk management is an essential part of effective corporate governance. The council has a statutory duty to have in place arrangements for managing risk as stated in the Accounts and Audit Regulations 2015:

“A relevant authority must ensure that it has a sound system of internal control which ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk”

The council acknowledges that it has a responsibility to manage its risks effectively in order to protect its employees, assets, liabilities and community against potential losses. The council is aware that not all risks can be eliminated fully, however through correct and careful procedures there will be a focused approach to managing any risks.

The council adheres to the guidance given by JPAG (Joint Panel on Accountability and Governance) in their publication *“Governance and Accountability for Smaller Authorities in England”* Section 5 for the layout of this risk assessment. Risk for each area is assessed as high, medium or low (as based on the likelihood of the risk and the potential impact).

This document will be reviewed at least annually by the Clerk and the Policy and Procedures Committee.

Alvanley Parish Council is also audited annually. The internal audit process checks that we have adequate provision and policies in place to support this risk assessment.

Risk Assessment reviewed by:

- Jeanette Hughes Chair of Parish Council
- David Gilbert Vice Chair of Parish Council

No	AREA	RISK IDENTIFIED	RISK H/M/L	CONTROLS	COMMENTS	FURTHER ACTION REQUIRED
ASSETS AND SERVICES						
1	Street furniture and other council-owned assets (e.g. Telephone box, benches, planters, noticeboard, office equipment)	Damage. Vandalism/theft. Cost of replacement/repair. Deterioration. Legal liability.	L	Insurance including public liability. Inspection by councillors and contractors. Maintenance regime.	Funds held in budget and earmarked reserves.	
2	Loss or damage of IT infrastructure/hard copy files and loss of use of office due to disaster or other reasons	Interruption to effective administration. Possible financial loss. Unable to provide services. Destruction of files and office equipment.	M	Replace equipment periodically. Office equipment insured for replacement value. Scan important files to store electronically. Computer is password protected.	Ability to use laptop and work from home or other office space nearby.	Investigate additional cyber security packages
3	Accidental loss or damage to fixed assets	Costs of repair or replacement. Loss of service until repaired/replaced.	L	Maintain insurance. Ensure a budget for replacement as required	An up-to-date register of fixed assets. Fixed Asset Policy.	
4	Christmas lights.	Injury. Theft. Cost of replacement. Legal liability. Loss of amenity.	L	Specialist contractors have own insurance and risk assessments and are responsible for checking, servicing, installing and removing assets. Insurance including public liability.		

				Annual budget for maintenance/replacements.		
5	General village maintenance	Health and safety of workers and volunteers. Loss of contract.	M	Specialist contractor has own insurance and risk assessments. Contractor carries out relevant training. Parish Council to issue sub-contractor questionnaire for approval . Council takes part in CW&C's Highways Volunteer Scheme – CW&C carry insurance liabilities for volunteers and provide necessary training and equipment. Clerk provides first aid kit.	Contract operated on a 3-year cycle – at least 3 tenderers are sought. Contractor qualified as an Operational Play Inspector (February 2025). Why we don't have play equipment	Clerk to investigate a first aid training course and ensure first aid kit is up to date and available to volunteers

No	AREA	RISK IDENTIFIED	RISK H/M/L	CONTROLS	COMMENTS	FURTHER ACTION REQUIRED
ADMINISTRATIVE AND LEGAL LIABILITIES						
6	Failure to attract sufficient candidates for member vacancies or elections	Reduced representation. Unable to provide services. Possible meetings inquorate.	M	Actively publicise council activities.	Seek candidates amongst friends and colleagues. Publicise elections and vacancies on notice boards. Publicise elections and vacancies on Facebook and on APC website. Encourage volunteers and non-voting councillors to join working groups.	Currently 3 vacancies. Actively seek new councillors
7	Failure to achieve quorum at meetings	Business not transacted. Decisions not made.	M	Issue annual meeting calendar to all members. Issue meeting agendas promptly.	Record attendance.	Low council membership.
8	Lack of public consultation by council and failure to identify local needs and wishes	Decisions not based on evidence. People disenfranchised. Council does not represent public views.	L	Ensure meetings are publicised. Place articles in parish noticeboard/Facebook/website. Include public participation session at all meetings. Provide advice for members of the public attending meetings. Publish agendas and minutes on noticeboard and website. Ensure a strategic plan is in place and updated quarterly	Use Annual Parish Meetings. Ensure seating is available at meetings for public.	
9	Members acting alone outside meetings	Members outside compliance. Indemnities invalid.	M	Members read the 'Good Councillor Guide' and other relevant guidance.	Training Policy.	

		Personal risk. Legal liability.		Members should not make commitments on behalf of the council. Attend relevant training courses by ChALC and others.		
10	Council decisions not implemented	Confidence undermined. Reputational risk. Possible losses.	M	Clerk to publish minutes within 2 weeks of meetings (marked as draft). Outstanding actions log presented and reviewed at each meeting. Chair and Vice Chair to undertake periodic independent discussion with councillors providing support to achieve their actions	Minutes to be considered at next meeting.	
11	Inaccurate, untimely, improper minutes	Poor decisions made. Poor evidence for decisions.	L	Clerk to check minutes with members not more than 7 days after meeting. Chair to support Clerk with initial Draft of Minutes	Unapproved minutes published on website (marked as draft).	
12	Inadequate document control	Poor evidence. Poor support to members.	L	Clerk to establish IT filing and retrieval system. Clerk to ensure a recognised IT back up system Clerk to enforce document version control. Clerk to check and advise all document control with the Chair person for approval		Further filing is required.

13	Failure to recognise and address conflict of interest	Lack of transparency. Open to complaints of fairness or bias.	M	All members to be given Code of Conduct and offered induction training and buddy.	Programme for New Councillors. Procedures outlined in Standing Orders.	
14	Incomplete/inaccurate register of members' interests	Lack of transparency. Open to complaints of fairness or bias.	L	All members to be given Code of Conduct and offered induction training and buddy. Programme for New Councillors. Register of Members' Interests forms sent to CW&C and on APC website.		
15	Loss of services of clerk	Interruption to effective administration. Unable to provide services.	M	Chair given appropriate passwords in sealed envelope. Contact CHALC for locum clerk if necessary. Agreed Members trained to undertake wide range of financial and administrative tasks.	Instruction booklet available for councillors.	
16	Lack of defined objectives or strategy	Resources not directed. Poor performance. Risks not base lined.	L	Council to produce an agreed 2-year strategic plan. Strategic plan to be reviewed quarterly		
17	Allegations of libel or slander	Potential for litigation. Costs of investigation. Reduces confidence. Legal liability.	M	Clerk to intervene at meetings, review all press releases and newsletter articles before release. Adequate insurance cover. Complaints Policy. Freedom of Information Policy.	The chair person must be made aware of all potential allegations of libel of slander as soon as they are brought to the attention of the Clerk or Councillors	

18	Bad publicity	Reduces confidence.	L	Review all press releases or newsletter articles before release. Social Media Policy.	Manage press relations.	
19	Insurance	Inadequate insurance or over insurance. Areas not covered. Policy lapsed.	M	Ensure adequate insurance is in place and reviewed annually by the Chair and the Clerk. Approval must be given by the full council	Council covered with Zurich. Cover is reviewed annually by the full Council or if circumstances change. Policy taken out competitively on a 3-year long term undertaking basis. Insurance values included within asset register.	
20	Inadequate awareness of relevant legislation and lack of knowledge	Failure to comply. Poor decisions made.	L	Maintain membership of ChALC/NALC. Clerk is appropriately qualified. Attempt to recruit Councillors with professional backgrounds and knowledge of relevant legislation. Ensure appropriate training is provided	Purchase of relevant literature (e.g. Arnold Baker). Training Policy.	
21	Failure to comply with relevant legislation	Legal liability. Reputation damage.	L	Maintain membership of ChALC/NALC. Clerk is appropriately qualified. Attempt to recruit Councillors with professional backgrounds and knowledge of relevant legislation. Ensure appropriate training is provided	Training Policy. Purchase of relevant literature (e.g. Arnold Baker).	

				Liaise with internal and external auditors.		
22	HMRC and employment law requirements not met	Costs. Legal liability. Liability for unpaid tax. Fines.	L	Parish Clerk submits returns to HMRC and processes salaries and pensions. When appropriate, returns made to the Inland Revenue. Employer liability insurance. Subject to internal audit.	Employees have a written statement of employment – annually reviewed.	
23	Risk associated with the General Data Protection Regulations	Legal liability. Personal data, held by the council, getting into the wrong hands. Fine by the Information Commissioner. Loss of trust in the council.	M	General Privacy Notice, Publication Scheme and data protection policy in place. Clerk and members adequately trained. Security measures in place eg. safe, shredding, firewall, passwords are secure. Computers password protected. Registered with the Information Commissioner's Office (ICO). Data is only held and distributed in accordance with GDPR rules.	Minimal confidential data is held.	New GDPR policies to be drawn up
24	Health and safety of staff	Employee's welfare at stake. Legal liability.	L	Robust health and safety policy and risk assessments in place for all activities (reviewed Annually). Personal protective and lone worker equipment is provided	Health and Safety of staff is of the utmost important to the council as is the safety of all volunteers . No activities are undertaken without the approval of the Parish Council	

				to council employees and replaced when necessary. Lone Working Policy in place (reviewed Annually).	and an understanding of the Health and Safety required	
25	Health and safety of councillors, visitors, contractors and work placements	Legal liability.	L	<p>Full Health and Safety Policy in Place</p> <p>Risk assessment to be provided and approved for all activities</p> <p>All contractors to complete a subcontractor questionnaire for approval prior to commencing any works</p>	<p>Health and Safety Policy in place and £12m public liability cover.</p> <p>Health and Safety of staff is of the utmost important to the council as is the safety of all volunteers. No activities are undertaken without the approval of the Parish Council and an understanding of the Health and Safety required</p>	

No	AREA	RISK IDENTIFIED	RISK H/M/L		MEASURES/COMMENTS	FURTHER ACTION REQUIRED
FINANCE AND CONTRACTS						
26	Financial (general)	Misappropriation of council funds. Financial loss.	M	All banking arrangements and changes to banking services approved by the council and recorded in the minutes. Pay invoices by cheque/internet banking. Internet Banking - two councillors authorise online payments. Bank reconciliation of accounts signed by the Chair at each Full Council meeting. Annual scrutiny of all financial records by internal auditor. Accounts sent annually to external auditor for review. All changes in banking instructions, mandates etc. to be in writing with a hard copy kept permanently on file.	Anti-fraud and Corruption Policy.	
27	Failure to respond to electors wishing to exercise right of inspection of accounts	Complaints received. Not transparent. Non-compliance.	L	Clerk to respond to electors within 5 working days Councillors to be made aware or request with immediate effect	Clerk to advertise facility and respond to requests.	
28	Payments	Goods not supplied but invoiced. Invoices incorrect.	L	All invoices checked for accuracy and receipt of goods/services in line with	Internal Control Policy with robust internal controls.	

		Invoices unpaid.		comprehensive Financial Regulations. List of payments presented at every Full Council meeting. Clear audit trail of all expenditure and checked via internal audit. All expenditure authorised by Full Council as per Financial Regulations.		
29	Failure of bank	Financial loss.	M	Ensure bank does not hold more than £85,000 as this amount can be reclaimed.	Policies in place in Financial Regulations.	
30	Cheque books	Loss of cheques. Fraudulent use.	L	All cheques and cheque stubs signed by Chair and Vice Chair and the clerk and only when matched to invoice/purchase order. No blank cheques signed.	Used only in line with Financial Regulations and checked at audit.	
31	Failure to complete/submit annual return on time	Poor auditors report. Public confidence suffers.	L	Chair and Vice Chair to support Clerk to ensure submission of annual return Annual return to be approved by Chair and Vice Chair prior to submission	Clerk to maintain diary.	
32	Risk associated with partnerships and contracts	Poor levels of service or total loss of service. Possible increased costs. Reputational damage. Council not achieving "Value for Money". Risk of misunderstandings.	L	NALC's national Standing Orders model adopted. Separate financial regs. Clerk to be adequately trained. Pay on agreed terms on completion of works/service.	Conduct thorough research on companies and produce reports for meetings.	

33	Orders for work, goods and services. Monitoring of performances against agreed standards under partnership agreements.	Unable to fulfil responsibilities.	M	Ensure adequate training for Councillor and Clerk. Procedures set out in Standing Orders and Financial Regulations.	Reviewed at internal audit.	
34	Failure to calculate/submit precept on time	Inadequate resources to meet commitments. Costs of re-billing.	M	Clerk to respond to Cheshire West and Chester Council notices. Agenda item for members to consider and approve. Precept to be discussed and approved in advanced based on previous performance and starting plan		
35	Inadequate annual precept and unsound budget. Late payment from CW&C.	Inadequate resources to meet commitments. Could run out of funds completely.	M	Clerk and members to build sound budget, using risk register and known commitments, and monitors this throughout the year. Contingencies in place through general reserves. Scrutiny of all financial records by Finance Committee and auditors.	Reserves Policy.	
36	Failure to account for and recover VAT	Wasted resources.	L	Clerk to process reclaim annually.		

				Chair and Vice Chair to discuss with Clerk and review quarterly submission. Internal auditor to check.		
37	Failure to stay within agreed budgets	Inadequate control.	L	Clerk to monitor. Committees to review budgets at every meeting.		
38	Holding excessive or inadequate reserves	Auditors report. Poor use of resources. Inability to meet commitments.	L	Clerk to review as part of budgeting. Council to review size of reserves. Council has produced and agreed 2-year strategic plan.	Reserves Policy to set percentage of precept.	
39	Fraud by Clerk	Reputation costs. Legal liability. Unable to provide services.	M	Adequate internal audit. Control systems for managing expenditure. Internal controls including prevention and detection of fraud and corruption. Fidelity Guarantee Insurance. Two signatures required on cheques and direct debit authorities. Monthly reconciliations of the bank statements to the financial records presented to Full Council.		
40	Fraud by Members	Reputation costs. Legal liability. Unable to provide services.	M	Adequate internal audit. Control systems for managing expenditure.		

				Internal controls including prevention and detection of fraud and corruption. Fidelity Guarantee Insurance. Two signatures required on cheques and direct debit authorities. Bank reconciliations of the bank statements to the financial records presented to Full Council.		
41	Failure to maintain fixed assets register	Improper control. Poor auditor's report.	L	Fixed asset register to be the responsibility of the Parish Clerk Full Council to review and approve asset register annually.	Council to review. Internal audit to review.	
42	Improper financial records	Potential for wasted resources.	M	Council subscribes to online accounting package, Scribe. Internal audit to review. Chair and Vice Chair to review all financial records quarterly Full Council to approve at each meeting		
43	Failure to comply with deadlines for accounts and returns	Poor auditor's report. Reduction in confidence.	L	Clerk aware of annual deadlines. Clerk to copy Chair into all email submissions to ensure timely and accurate approach	If in doubt, liaise with internal and external auditors.	
44	Risks associated with internet banking	Misappropriation of funds.	H	Invoices to be paid by bank transfer at least once per month. Bank processing	Unity online banking requires two signatories and account	

		Unable to provide services. Reputational damage.		should be approved by at least two official signatories. Copies of bank transactions and invoices to be recorded in Scribe. At least two signatories to authorise payments via electronic approval system, All transactions and income to be approved and recorded in minutes. Signatories to check bank reconciliations against bank accounts.	does not link to members' personal accounts.	
45	Risks of supplier (procurement) fraud including the adequacy of supplier onboarding controls	Loss of council funds.	M	Before entering into contracts with companies or other bodies the Council will carry out due diligence to safeguard public funds. All, or as many as deemed necessary, of the following measures will be taken: - A check at Companies House; - The lowest deposit possible to be negotiated, if appropriate; - A suitable retention to be negotiated, if appropriate; - The Council to require terms and conditions, depending on the contract value, as deemed appropriate;		

				<ul style="list-style-type: none"> - If appropriate the Council to buy goods and materials directly from the suppliers; - Materials to be delivered to where the Council specifies and at an agreed time to suit the Clerk; and - New payee checks to be carried out through the Council's online banking facility. 		
46	Expenditure being incurred which is not within the legal powers available to local councils.	Ultra vires expenditure – illegal transactions. Local elector challenge. Audit investigation/ public interest report	L	No expenditure to be undertaken unless approved by the full council	Recording in the minutes the powers under which expenditure is approved <u>or</u> council having general power of competence.	
47	Risk of a complaint from an elector if a contract is not fairly awarded.	Investigation by external auditor leading to increased audit fees, public interest report etc. Reputational damage. Poor value for money.	L	Standing Orders and Financial Regulations in place dealing with the award of contracts. Complaint procedure in place.		

DOCUMENT HISTORY

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Change History

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