



## RISK MANAGEMENT AND REVIEW OF INTERNAL CONTROLS

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### 1. INTRODUCTION

**1.1.** Risk management is the culture, processes and organisational arrangements through which Birdlip Parish Council (BPC) identifies, assesses and manages potential opportunities and threats that may affect its business and objectives. This Risk Management Policy and Risk Register form a key part of BPC’s system of internal control, supporting the annual review required by the Accounts and Audit Regulations 2015.

**1.2.** BPC is committed to the proactive identification, understanding and management of risks arising from its services, projects, plans and strategies, in order to support informed and responsible decision-making, balancing risk while maximising opportunities.

**1.3.** The Accounts and Audit Regulations place risk management at the centre of the BPC’s governance arrangements.

**1.4.** This policy sets out a framework to help BPC determine an appropriate and proportionate level of formality and structure for its risk management approach.

## **2. RESPONSIBILITY**

**2.1.** All members with the guidance of the Parish Clerk have responsibility for the development, introduction, monitoring and review of the risk management policy.

## **3. OBJECTIVES**

**3.1.** BPC will maintain a strong awareness of risk to ensure that:

- 3.1.1. Risks are identified, assessed, and managed at the appropriate level within the organisation.
- 3.1.2. The Council is well positioned to recognise and capitalise on opportunities.
- 3.1.3. Threats are identified promptly and addressed effectively, including through the transfer, control, or active management of risks where appropriate.
- 3.1.4. Risk management is embedded within day-to-day operations and core business processes.
- 3.1.5. The Council can demonstrate to stakeholders that its approach to risk management is appropriate, proportionate, and effective.

## **4. POLICY FRAMEWORK**

**4.1.** BPC will deliver its policy objectives by implementing a straightforward and effective risk management framework designed to:

- 4.1.1. Identify, understand, and manage the key operational risks facing the Council.
- 4.1.2. Evaluate identified risks based on their likelihood and potential impact, and put in place appropriate mitigation measures with clearly assigned responsibilities.
- 4.1.3. Maintain strong arrangements for the continuous monitoring and regular review of risks.
- 4.1.4. Integrate risk management into core business activities, ensuring risks are actively considered in the planning and delivery of projects, policy development, and performance management.
- 4.1.5. Clearly define and document risk management roles and responsibilities for officers and members, including transparent reporting structures.

### Risk Register

Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
Councillors	Losing councillor membership or having more than 5 vacancies at any one time	Low	<p>Legal processes are to be followed when councillor vacancies arise. This either leads to a by-election or a co-option. A byelection is arranged by Cotswold District Council (CDC) If a co-option is permitted, CDC will request completion of a Co-option Expression of Interest form from interested parties and approval of co-option will be decided at the next possible council meeting.</p> <p>If there are more than 5 vacancies at any one time the Parish Council becomes inquorate and the legal process of CDC takes place.</p>	<p>Existing procedures are adequate.</p> <p>Procedures of CDC are adequate.</p>
Lack of funds	Incomplete budgeting	Medium	Draft budget prepared includes review of previous years expenditure, contracts and proposed projects for the next financial year. Draft presented to Council for review and amendment.	Existing procedures adequate.
	Inadequacy of general and earmarked reserves and/or precept request to meet expenditure	Low	<p>Budget, Precept and Reserve requirements for the next financial year are reviewed and approved annually in January each year before the Precept requirement has to be submitted to CDC.</p> <p>Expenditure is monitored against the approved budget and quarterly reports are presented to the Council. Spending for nonbudgeted items is approved specifically by Council.</p>	Existing procedures adequate.

Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
Lack of funds	Precept or other substantial income not received as budgeted	Low	The Clerk informs the Council when money is received and monitors receipts against budget. Quarterly reports are presented to Council.	Existing procedures adequate.
Financial Records	Inadequate records	Low	The Council has Financial Regulations which set out the requirements and are reviewed annually.	Existing procedures adequate.
	Financial irregularities	Low	The Council has Financial Regulations which set out the requirements and are reviewed annually.	Existing procedures adequate.
	Inadequate checks	Low	The Council has Financial Regulations which set out the requirements for banking, Bacs payments, cheques and bank reconciliation.	Existing procedures adequate.
Bank and Banking	Bank mistakes	Low	The Clerk reconciles the bank accounts once a month when the statement is received, any problems / irregularities are dealt with immediately. The bank reconciliation is presented to the Council quarterly with an account summary produced at all other Full Council Meetings.	Existing procedures adequate.
	Loss	Low	The Council has appropriate insurance in place to cover any loss which is reviewed annually.	Existing procedures adequate.
	Charges	Low	Updates on banking charges are provided by the Clerk and reported to Council quarterly.	Existing procedures adequate.
	Loss of signatories	Low	Council chooses to update the banking mandate when Councillors resign or new ones are elected.	Existing procedures adequate.
Litigation	Potential risk of legal action being taken against the Council	Medium	Public Liability Insurance covers general personal injury claims where the Council is found to be at fault, but not illegitimate or frivolous claims (these cannot be insured against).	Insurance is adequate and is reviewed annually but there is a risk of other claims.

Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
Reporting and Auditing	Lack of information and/or clear information	Low	Financial Information is a monthly agenda item (Council meets 10 times per year).	Existing procedures adequate.
Direct costs	Goods not supplied but billed	Low	Invoices only paid when goods received or work has been completed.	Existing procedures adequate.
Overhead expenses	Incorrect invoicing	Low	Invoices are checked against purchase/contract orders.	Existing procedures adequate.
	Power to pay	Low	All such expenditure goes through the required Council process of approval, it is minuted and listed accordingly.	Existing procedures adequate.
	Authorisation of Council to pay	Low	Normal Council practice is to seek at least three quotations if possible, as per the Financial Regulations.	
Grants payable	Work awarded incorrectly	Low	All applications follow the Grant Procedure.	Existing procedures adequate.
	Transparency	Low	All applications are discussed at Full Parish Council Meetings and decisions recorded in minutes. Applications are available for the Public to inspect.	
Best Value Accountability	Overspend on services	Medium	If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to the Council.	Review of Financial Regulations annually.
Employees	Loss of Clerk	Low	Clerk is to be provided with relevant training, reference books and legal advice required to undertake the role.	Existing procedures adequate.
	Fraud	Low	The requirement of the Zurich Insurance should be adhered to.	

Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
Salaries	Salary paid incorrectly	Low	This is agreed monthly and is presented at Full Council Meeting.	Existing procedures adequate.
	Wrong hours paid	Low	Clerk submits monthly timesheets	
	Wrong rate paid	Low	This is reviewed when NALC issue new Pay Scales or before if required.	
	Wrong deductions of NI or Tax	Low	PATA Payroll provides the HMRC PAYE System to ensure the Council is complying with current regulations.	
	Unpaid Tax and NI to HMRC	Low		
Councillor Allowances	Councillors overpaid Income tax deductions	n/a	No allowances are allocated to Parish Councillors.	No procedure required.
Election Costs	Risk of an Election Cost	Low	Risk is higher in an election year. There are no measures which can be adopted to minimise the risk of having an election, as this is a democratic process.	Council has a Contingency Fund for Election Costs.
VAT	Not reclaiming VAT	Low	The Council reclaims VAT as per Financial Regulations.	Existing procedures adequate.
Internal Audit	Completion within the time limits	Low	Internal Auditor supplied with all the documents to audit and forms to complete and sign for the External Audit.	Existing procedures adequate.
	Lack of independent auditing	Medium	Appointment, by resolution, of an independent Internal Auditor to carry out checks of the Council's financial procedures and accounting records.	Independent Internal Auditor appointed annually.
Annual Return	Completion/Submission within time limits	Low	Annual Return is completed and signed by the Council at full council meeting, submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within the time limit.	Existing procedures adequate.

Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
Banking	Illegal activity or payments	Low	Banking arrangements and changes to banking provision approved by Council and minuted. Dual authorisation by councillors required on all payments. Payments, reconciled accounts and bank statements presented for checking and signature at monthly meetings.	Existing procedures adequate.
Minutes Agendas Notices Statutory Documents	Accuracy and legality	Low	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements.	Existing procedures adequate. Review insurance provision annually.
			Minutes are approved and signed at the following Council Meeting.	
			Minutes and agenda are displayed according to legal requirements.	Guidance/training should be given to the Chair as required.
	Business Conduct	Low	Business conducted at Council Meetings should be managed by the Chair.	
Council records - paper	Loss through Theft or Fire Damage	Low / Medium	The Parish Council records are stored in a locked cabinet in an office in the Clerk's home covered by CCTV and monitored security system. Most paper copies are also stored electronically on the Clerk's computer.	Damage (apart from fire) and theft is unlikely and so provision is adequate.
Council records - electronic	Loss through Theft , Fire, corruption of computer	Low	Council's records are stored on the Clerk's computer. Cloud back up is via One Drive.	Existing procedures adequate.
Members Interests	Conflict of Interest	Medium	Declarations of Interests is an agenda items for all Meetings.	Existing procedures adequate.
	Register of Members Interests	Medium	Register of Members of Interests forms should be reviewed regularly by Councillors.	Members take responsibility to update their Register.

Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
Website	Inadequate or outdated information and lack of public engagement with the use of website.	Low	Website updated by Clerk as necessary.	Existing procedures adequate
Insurance	Adequacy	Low	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and within policies (see also working from home risk assessment for clerk). Ensure compliance measures in place. Ensure changes, amendments or any new requirements to be reported to the insurers throughout the year.	Existing procedures adequate. Review insurance provision annually.
	Cost	Low		
	Compliance	Low		
	Loss or damage	Low	Manage claims against the insurance cover whenever necessary	
Assets	Risk/damage/injury to third parties	Low	All assets owned by the Parish Council are inspected monthly by the Clerk or nominated Councillor and after severe weather to ensure the fabric of the building/property remains safe. Regularly reviewed and maintained. All maintenance repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council. All Assets are insured and reviewed annually.	Existing procedures adequate. Review insurance provision annually. Contractors insurance checked.
			The Parish Council is registered with the Information Commissioner.	Ensure Annual Renewal of Registration.

Data Protection	Failure to implement Policy provision	Low	The Council has a Data Protection Policy and has a Privacy Notice.	Policy to be reviewed annually.
Subject	Risk(s) Identified	Likelihood Impact	Management / Control of Risk	Review / Assess Frequency
CCTV	Data Leak GDPR	Low	CCTV is operated throughout the village within the guidelines of the CCTV policy. The Clerk and nominated Councillor will ensure all CCTV recordings are retained and made available within the scope of any CCTV and Data Protection policies and procedures.	Monitor and report any impacts of requests made under the FOI Act. Policy reviewed annually
Freedom of Information	Failure to implement Policy provision	Low	The Council has a model publication scheme in place.	Monitor and report any impacts of requests made under the FOI Act.
Meetings	Failure to implement Policy provision	Low	All members of the public are treated with respect and care. All Councillors act in an appropriate and courteous manner during meetings	Code of conduct reviewed annually
Meeting Location	Adequacy	Low	The Parish Council Meetings are held in the Parish Church. The premises and the facilities are considered to be adequate for the Clerk, members and Public who attend from Health & Safety, Disability Discrimination and comfort aspects.	Existing location adequate.
	Health and Safety	Low		
Buildings, Land Maintenance and Inspections	Bus shelter owned by council. Verges owned by Gloucestershire County Council	Low	All Council owned land and Licences to cultivate are registered and copies of documentation held with Gloucestershire County Council and electronically by clerk.	Inspected and insured
Emergency Plans	Natural or manmade disasters, severe weather	Low	Ensuring the Community are served. All Councillors have contact details for each other so that in the event of a disaster the Council can act quickly to provide assistance where applicable. Snow wardens are confirmed annually.	Existing arrangements adequate.

Reviewed 21<sup>st</sup> May 2025 **SIGNED**

Next Review date May 2026 or sooner if additional assets are acquired.