Lilbourne Parish Council

Risk Assessment & Internal Control Policy

May 2026

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1. Introduction

Lilbourne Parish Council is committed to maintaining effective governance, sound financial management, transparency, and robust internal controls.

This Policy sets out how the Council identifies, assesses, manages, and reviews risks in accordance with Assertion 10 of the Annual Governance & Accountability Return (AGAR).

The Council operates in accordance with:

- The current edition of the Model Financial Regulations published by the National Association of Local Councils
- The Council's adopted Standing Orders
- Relevant legislation and statutory guidance applicable to parish councils.

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2. Financial Management & Internal Controls

2.1 Core Financial Controls

The Council maintains the following internal controls:

- Two authorised councillor approvals are required for all payments.
- Councillors must not sign blank cheques or authorise incomplete payment instructions.
- The Clerk/Responsible Financial Officer (RFO) is not a bank signatory unless specifically approved by Council and permitted under banking arrangements.
- All payments are presented to and approved by Full Council and recorded within the minutes.
- Petty cash system is operated for the passenger charge using the minibus for the town run. Minor purchases made by the Clerk or Minibus Administrator are reimbursed upon submission of receipts.
- The annual budget is prepared, considered, and approved prior to setting the precept.
- The precept demand is formally approved and minuted.
- The RFO maintains accurate accounting records, bank reconciliations, invoices, receipts, VAT records, and supporting documentation.
- Bank reconciliations are reviewed periodically by a nominated councillor independent of the payment process.

- An independent Internal Auditor is appointed annually.
- Recommendations arising from Internal or External Audit reports are considered promptly and acted upon where appropriate.
- Accounting records and governance documents are made available for public inspection during the statutory period.

2.2 Banking & Electronic Payments

- Online banking access shall be restricted to authorised officers and councillors only.
- Passwords and banking credentials must be kept secure and changed periodically.
- Electronic payments shall require dual authorisation wherever banking facilities permit.
- Bank statements are reviewed regularly against accounting records.

2.3 Procurement & Contracts

- For purchases between £100 and £3,000, the Clerk/RFO will seek three estimates where practicable.
- For contracts exceeding £3,000 and below £25,000, at least three written quotations should be obtained.
- For contracts above £25,000, the Council will comply with current procurement legislation and transparency requirements.
- Procurement decisions shall be transparent, proportionate, and recorded in the Council minutes.

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3. Risk Management

The Council recognises that risk management is an essential part of good governance and decision making.

The Council will:

- Identify and regularly review operational, financial, legal, reputational, and health & safety risks.
- Assess the likelihood and potential impact of identified risks.
- Implement reasonable control measures to minimise risk exposure.
- Maintain appropriate contingency arrangements where necessary.

A formal Risk Register may be maintained and reviewed annually by the Council.

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4. Insurance

The Council will review its insurance arrangements annually to ensure adequate cover is maintained for:

- Public Liability
- Employer's Liability
- Fidelity Guarantee
- Property and Asset Cover
- Officials' Indemnity
- Cyber Insurance (where applicable)

Newly acquired assets shall be added to the insurance schedule as soon as reasonably practicable.

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5. Councillor Responsibilities

Councillors are expected to:

- Work collectively and respectfully in the interests of the parish.
- Attend meetings regularly and participate in Council business.
- Comply with the adopted Code of Conduct.
- Undertake appropriate training where available.

Councillors should also remain familiar with relevant legislation including:

- Freedom of Information Act 2000
- Equality Act 2010
- Data Protection Act 2018 and UK GDPR
- Health and Safety legislation
- Section 17 Crime and Disorder Act 1998

Declarations of Interest

At each meeting, councillors must declare any disclosable pecuniary or other relevant interests and withdraw from discussion or voting where required by law or the Code of Conduct.

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6. Standing Orders & Policies

The Council shall operate in accordance with its adopted:

- Standing Orders
- Financial Regulations
- Code of Conduct
- Data Protection policies
- Other governance policies adopted by Council

These documents shall be reviewed periodically and updated where necessary.

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7. Asset Register

The Council will maintain an accurate and up-to-date Asset Register.

The register shall:

- Be reviewed annually.
- Record acquisitions and disposals.
- Include appropriate values for insurance and audit purposes.

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8. Property, Open Spaces & Village Safety

- Council-owned land, property, street furniture, and equipment shall be inspected periodically.
- Play areas shall receive routine visual inspections and an annual professional inspection.
- Any defects identified shall be reported and acted upon appropriately.
- Parish keys and access codes shall be securely controlled by the Clerk or authorised persons only.

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9. Data Protection & Cyber Security

The Council recognises the importance of protecting personal data and electronic systems.

The Council will:

- Comply with the Data Protection Act 2018 and UK GDPR.
- Maintain secure electronic and paper records.
- Use password-protected devices and software where appropriate.
- Take reasonable precautions against cyber fraud, phishing, and unauthorised access.

10. Review

This Policy shall be reviewed annually or earlier if:

- Legislation changes;
- Audit recommendations require amendment; or
- The Council identifies improvements to governance or risk management procedures.

The review shall be formally minuted by the Council.