

# **RISK MANAGEMENT POLICY**

## **What is Risk Management?**

Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to successfully implement its strategies and services. Risk management is the process by which risks are identified, assessed and controlled. It is a key element of the Council's governance framework. This policy has been produced to enable the Parish Council to assess the risks that it faces and to satisfy itself that it has adequate arrangements in place to minimise them. The Council recognises that some risks can never be totally eliminated, however, it has put in place a strategy that provides a structured and systematic approach to minimising risks that may affect the Council.

Risk assessment is a systematic examination of the parish Council's services & activities, assets, workforce and external environmental factors that enables the Council to identify all potential risks inherent in the place or practices. Based on a recorded assessment the Council should then take all practical and necessary steps to reduce or eliminate the risks, as far as is practically possible. Making sure that all employees are made aware of the results of the risk assessment.

This risk register exists to enable the Council to assess the risks it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

- Identify the hazard or activity to be reviewed.
- Identify what risks may exist or arise.
- Evaluate and describe the management and control of the risks and record findings.
- Review, assess and revise if required.

The Council has broken down the risks it faces into three categories – Financial, Operational Management and Physical Equipment or Assets. Each of these categories is considered in detail over the following pages; the risks are identified and described together with an evaluation of their significance to the organisation (High, Medium or Low) and arrangements are described for how the Council proposes to manage or control the risk to what it considers to be a satisfactory level.

## FINANCIAL

Topic	Risk	H/M/L	Management control of risk	Review/Assess/Revise
Business Continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	Loss of Clerk or Loss of Council papers / electronic records  A business continuity plan holding simple key information is in place and can be accessed by all staff and Councillors within our Workspace file structure	Appropriate backup arrangements in place. Review plan when necessary
Precept	Adequacy of precept	L	The Finance & General Purpose Committee receives budget update information and the Council receives a monthly budget update. At the Precept meeting, the Council receives a budget update report, including actual and projected year-end indicative figures provided by the Clerk.	Existing procedures adequate
	Requirements not submitted to the Borough Council	L	Once the Council has formally agreed the level of precept required, the Clerk requests this from the Borough Council	
	Amount not received from Borough Council	L	The Clerk informs the Council when precept income is received	
Financial Records	Inadequate records	L	The Council has adopted Financial Regulations which set out the requirements for reporting financial information to the Council. This includes procedures that are designed to prevent fraud and irregularities	Existing procedure adequate
	Financial irregularities	L		Review the Financial Regulations at least yearly
Bank and Banking	Inadequate checks	L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts	Existing procedures adequate
	Bank mistakes	L	The Clerk reconciles the bank accounts monthly to ensure transactions are correctly reflected in the financial information presented to the Council	Review Financial Regulations annually Review bank signatory list after AGM and an election Reconcile accounts monthly and present to Council
	Loss Charges	L L		

Cash	Loss through theft or dishonesty	L	The Council has Financial Regulations which set out the requirements for the handling of cash A small petty cash float is held which is reconciled monthly	Existing procedure adequate Review Financial Regulations when necessary
Reporting and Auditing	Provision of monitoring information	L	A budget monitoring report is produced and presented for approval to the Finance & General Purpose Committee/Council. The statement includes, bank reconciliation, budget update, and a breakdown of receipts and payments balanced against the bank statements.	Existing reporting procedures are adequate
	Compliance	M	Council should regularly audit internally to check procedures and comply with the Fidelity Guarantee	Review the Financial Regulations annually
Direct costs	Goods billed but not supplied	L	The Council has Financial Regulations which set out the underlying requirements	Existing procedures adequate Review the Financial Regulations annually
Orders and invoices	Incorrect invoicing	L	The Council is provided with details of payments and receipts for the preceding month at every council meeting for consideration and approval	Review the Financial Regulations annually
Debts	Unpaid invoices	L	Unpaid invoices are pursued by the Clerk and action taken via small claims court if necessary	Review the Financial Regulations annually
Grants payable	Is there a power to pay? Is authorisation properly recorded?	L	All such expenditure is considered by Council for approval and minuted accordingly If payment is made using the S137 power, this is recorded specifically	Existing procedure adequate. Parish Councillors record S137 payments when required
Grants - receivable	Receipts of Grant	L	The Parish Council does not routinely receive any regular grants One off grants would be dealt with within the specifically defined terms and conditions and would be itemised explicitly in the accounts presented to the Council	Receipt of one-off grants would be recorded through the Council meeting minutes and financial management systems for approval
Charges - rentals payable	Payments of charges, leases, rentals	L	These are recorded through the routine financial reporting to the Council	Existing procedures adequate
Charges - rentals receivable	Receipt of rental	L	These are recorded through the routine financial reporting to the Council	Existing procedure adequate Review agreement and fees

				Annually
Safe	Loss of contents	L	Shared access to the safe by Hound Parish Council office staff, however it is locked in a locked office	Existing procedure adequate

## OPERATIONAL MANAGEMENT

Topic	Risk	H/M/L	Management control of risk	Review/Assess/Revise
Value for Money Accountability	Work awarded incorrectly Overspend on services	L M	Financial Regulations specify the procedures for procuring goods and services If problems are encountered with a contract or a service, the Clerk would investigate, check the relevant circumstances and report to Council	Existing procedures, contained within Financial Regulations, are adequate
Salaries and associated costs	Salary paid incorrectly  Wrong deductions of NI or Tax Unpaid Tax & NI contributions to the Inland Revenue	L  L L	The Parish Council authorises the appointment level of remuneration of all employees. Rates of pay are linked to national terms and conditions  Payroll, is outsourced to a payroll company  All staff have a contract of employment and job description	Existing systems include adequate controls
Employees	Loss of Key Personnel  Loss of Clerk  Fraud by staff	L  M L	The Councillors will convene emergency meetings to agree interim arrangements if key personnel are absent without notice  In the event of the Clerk resigning, the Council employs the Deputy Clerk or a Locum Clerk who could cover interim  The Council carries Fidelity Guarantee insurance with regard to fraud or staff actions	Existing procedures adequate  Retain membership of HALC & SLCC  Monitor working conditions, safety requirements and

	Actions undertaken by staff	L	The Clerk is provided with access to relevant training, reference books and legal advice required to undertake the role	Insurance regularly
	Health & Safety	L	Operational staff are provided with adequate direction and safety equipment needed to undertake their roles, i.e. protective clothing and training Annual appraisal interviews are carried out	Existing procedures adequate
IT Support	Loss of Cllr Guilan	L	The Clerk would continue updating all current data  The Clerk would investigate outsourced companies to offer support for all items he is not able to do	Existing procedure adequate
Councillor allowances	Councillors overpaid Income tax deduction	L	No allowances are paid to Parish Councillors	No procedure required
Election costs	Financial risk to the council of an election	L	Risk is higher in an election year. A budget line is provided every year to cater for an election if this becomes necessary	Existing procedure adequate
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the required processes and an accounting software programme which calculates & records VAT input and output	Existing procedure adequate
Annual Return	Submit within time limits	L	Annual Return is completed and approved by the Council, submitted to the internal auditor for evaluation prior to being forwarded to the External Auditor within time limit	Existing procedures adequate
Legal Powers	Illegal activity or payments Committees & working Parties	L L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Council Ensure clear terms of reference are in place	All powers appropriately considered and minuted
Minutes/Agendas/Notices/ Statutory Documents	Accuracy and legality	L	Minutes and agendas are produced in the prescribed form by the Clerk and adhere to legal requirements Minutes are approved and signed at the next Council meeting. Minutes and agenda are accessible to the public in compliance with the legal requirements	Existing procedure adequate. Guidance/training is available to the Chair

	Business Conduct	L	Business conducted at Council meetings is managed lawfully by the Chair with the advice and guidance of a qualified clerk	Members to adhere to the Code of Conduct
Members Interests	Conflict of interest	L	The declaration of interests by members at meetings is a standing item to remind Councillors of their duty	Existing procedure adequate.
	Register of Members interests	M	Register of Members Interest forms should be reviewed regularly by Councillors	Members take responsibility to update the Register
Insurance	Adequacy	L	An annual review is undertaken (at time of policy renewal) of all insurance arrangements	Existing procedure adequate
	Cost	L	Employers and Employee Liability, Public Liability and Fidelity Guarantee insurance is a necessity	Review insurance provision annually
	Compliance	M	Ensure compliance measures are in place	Review of compliance
	Fidelity Guarantee	L	Ensure Fidelity checks are in place	
Public Liability	Risk to third party, property or individuals	L	Insurance in place. Risk assessment of any individual event undertaken e.g Light up Netley	Existing procedures adequate
Data protection	Policy	L	The Council is registered with the Information Commissioner	Ensure annual review of registration
Employer Liability	Non-compliance when employment law	L	Seek advice from Worknest to stay compliant with current legislation	Existing procedures adequate
Employee Liability	Causing injury (damage) to employee property	L	Insurance cover in place	
Councillor Liability	Causing injury (damage to Councillors)	L	Insurance cover in place	
Legal Liability	Legality of activities	L	Clerk to clarify the legal position on proposals and to seek advice if necessary	Existing procedures adequate

	Proper and timely reporting via Minutes	L	Council always receives and approves minutes at meetings. Where possible draft minutes are placed on the website shortly after the meeting	
	Proper document control	L	Retention policy in place	
Freedom of Information Act	Policy	L	The Council has a model publication scheme for Local Councils in place	Monitor and report any impacts of requests made under the F of I Act
	Provision	M	Ensure the Clerk is aware that if a substantial request arrives then this may require many hours of additional work. (The Council is able to request a fee if the work will take more than 15.)	

## PHYSICAL EQUIPMENT OR AREAS

Topic	Risk	H/M/L	Management control of risk	Review/Assess/Revise
Assets	Loss or Damage	L	An annual review of assets is undertaken for insurance provision, storage and maintenance purposes	Existing procedure adequate
	Risk/damage to third parties/property	L		
Maintenance	Poor performance of assets or amenities	L	All assets owned by the Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the procedures agreed by the Council	Existing procedure adequate. Ensure timely inspections carried out
	Loss of income or performance	L	Where necessary annual maintenance plans are put in place, e.g. computer & CCTV equipment	
	Risk to third parties	L	All assets are insured and reviewed annually. The asset register is reviewed through the annual audit process. All public amenity land is inspected regularly by parish employees	
Notice boards	Risk/damage/injury to	L	The Parish Council has 8 notice boards.	Existing procedure adequate

	third parties		All locations have insurance cover and are inspected regularly by the Estates team who commission any essential repairs/maintenance	
Street furniture	Risk/damage/injury to third parties	L	The Parish Council is responsible for a number of benches around the parish. All locations have insurance cover and are inspected regularly by the Estates team who commission any essential repairs and/or maintenance	Existing procedure adequate
Meeting location	Adequacy Health & Safety	L	The Parish Council Meetings are held at one of the village halls. The premises and facilities are considered to be adequate for the Clerk, Councillors and Public who attend from both a Health and Safety, DDA and comfort perspective	Existing locations adequate
Council records - paper	Loss through: <ul style="list-style-type: none"> <li>theft</li> <li>fire</li> <li>damage</li> </ul>	L L L	The Parish Council's current records are stored at the Parish Office and in the Google cloud. Historic records (historical correspondence, minute books and copies, leases for land or property, records such as personnel, insurance, salaries etc.) are stored either in the archive cupboard or at Hampshire County Council archive store	Damage (apart from fire) and theft is unlikely and so provision adequate. Deeds/leases are copied and stored in a fireproof cabinet
Council	Loss through: <ul style="list-style-type: none"> <li>Theft</li> <li>fire</li> <li>damage</li> <li>corruption of computer</li> </ul>	L L L L	The Parish Council's electronic records are stored on the DiskStation network storage device in the office. Back-up of the files are taken daily into Google cloud. Access to CCTV images and recordings is password protected and accessed only with the approval of and in the presence of the Clerk	Computer records are backed up daily

## COUNCILLORS PROPRIETY

Topic	Risk	H/M/L	Management control of risk	Review/Assess/Revise
Members Interests	Conflict of Interests	M	Councillors have a duty to declare any interest at the start of the meeting or when a conflict becomes apparent during a meeting	Existing procedures adequate
	Register of Members	L	Register of Members Interests form to be reviewed on an	Members to take



	Interests		annual basis as a minimum	responsibility to update their register
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## COUNCIL REPUTATION

Topic	Risk	H/M/L	Management control of risk	Review/Assess/Revise
Councillor and staff	Bringing the Council into disrepute	M	Councillors understand and receive training on the Code of Conduct  A professional approach is undertaken on all Parish Council matters	Not all Councillors have received training  Members to identify any training needs

## RISK ASSESSMENT PHILOSOPHY

### RISK ASSESSMENT

#### 1. PURPOSE

To provide guidance to the Council to enable them to control risks associated with their activities

#### 2. SCOPE

This Procedure applies to all notified risks of Hound Parish Council

#### 3. DEFINITIONS

- a. Risk - A risk is the likelihood that the potential for harm or loss posed by a hazard will materialise;
- b. Hazard - A hazard is a condition in the parish, equipment, article, substance, machine, installation or situation that has the potential to cause harm or loss or both;
- c. Control Measures - Precautionary measures that reduce or eliminate the risk;
- d. Competent Person - A person who, by reason of their training, knowledge and experience, is considered capable of adequately assessing the health & safety risks associated with the operation carried out;

- e. Residual Risk - The risk that remains after all the identified control measures have been put into place

#### **4. METHOD**

The Parish Council should follow the general principles of prevention

- 4.1. If possible avoid risk altogether;
- 4.2. Evaluate the risks which cannot be avoided;
- 4.3. Combat risks at source;
- 4.4. Take advantage of technological and technical progress for improving working methods and making them safer;
- 4.5. Replacing the dangerous by the non-dangerous or the less dangerous;
- 4.6. Give appropriate instruction to Councillors and contractors.