# 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 |
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| 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<br><br>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.<br>Review plan when necessary |
| Precept | Adequacy of precept<br><br>Requirements not submitted to the Borough Council<br><br>Amount not received from Borough Council | L<br><br>L<br><br>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.<br><br>Once the Council has formally agreed the level of precept required, the Clerk requests this from the Borough Council<br><br>The Clerk informs the Council when precept income is received | Existing procedures adequate |
| Financial Records | Inadequate records<br><br>Financial irregularities | L<br><br>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<br><br>Review the Financial Regulations at least yearly |
| Bank and Banking | Inadequate checks<br><br>Bank mistakes<br>Loss<br>Charges | L<br><br>L<br>L<br>L | The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts<br><br>The Clerk reconciles the bank accounts monthly to ensure transactions are correctly reflected in the financial information presented to the Council | Existing procedures adequate<br><br>Review Financial Regulations annually<br>Review bank signatory list after AGM and an election<br>Reconcile accounts monthly and present to Council |

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| Cash | Loss through theft or dishonesty | L | The Council has Financial Regulations which set out the requirements for the handling of cash<br>A small petty cash float is held which is reconciled monthly | Existing procedure adequate<br>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<br>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<br>If payment is made using the S137 power, this is recorded specifically | Existing procedure adequate.<br>Parish Councillors record S137 payments when required |
| Grants - receivable | Receipts of Grant | L | The Parish Council does not routinely receive any regular grants<br>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<br>Review agreement and fees |

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| 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 |
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| Value for Money<br><br>Accountability | Work awarded incorrectly<br><br>Overspend on services | L<br><br>M | Financial Regulations specify the procedures for procuring goods and services<br>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<br><br>Wrong deductions of NI or Tax<br>Unpaid Tax & NI contributions to the Inland Revenue | L<br><br>L<br><br>L | The Parish Council authorises the appointment level of remuneration of all employees. Rates of pay are linked to national terms and conditions<br><br>Payroll, is outsourced to a payroll company<br><br>All staff have a contract of employment and job description | Existing systems include adequate controls |
| Employees | Loss of Key Personnel<br><br>Loss of Clerk<br><br>Fraud by staff | L<br><br>M<br><br>L | The Councillors will convene emergency meetings to agree interim arrangements if key personnel are absent without notice<br><br>In the event of the Clerk resigning, the Council employs the Deputy Clerk or a Locum Clerk who could cover interim<br><br>The Council carries Fidelity Guarantee insurance with regard to fraud or staff actions | Existing procedures adequate<br><br>Retain membership of HALC & SLCC<br><br>Monitor working conditions, safety requirements and |

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| | Actions undertaken by staff<br><br>Health & Safety | L<br><br>L | The Clerk is provided with access to relevant training, reference books and legal advice required to undertake the role<br><br>Operational staff are provided with adequate direction and safety equipment needed to undertake their roles, i.e. protective clothing and training<br>Annual appraisal interviews are carried out | Insurance regularly<br><br>Existing procedures adequate |
| IT Support | Loss of Cllr Guillan | L | The Clerk would continue updating all current data<br><br>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<br>Committees & working Parties | L<br><br>L | All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Council<br>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<br>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 |

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| | 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 |

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| | Proper and timely reporting via Minutes<br><br>Proper document control | L<br><br>L | Council always receives and approves minutes at meetings. Where possible draft minutes are placed on the website shortly after the meeting<br><br>Retention policy in place | |
| Freedom of Information Act | Policy<br><br>Provision | L<br><br>M | The Council has a model publication scheme for Local Councils in place<br><br>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.) | Monitor and report any impacts of requests made under the F of I Act |

**PHYSICAL EQUIPMENT OR AREAS**

| Topic | Risk | H/M/L | Management control of risk | Review/Assess/Revise |
|---|---|---|---|---|
| Assets | Loss or Damage<br><br>Risk/damage to third parties/property | L<br><br>L | An annual review of assets is undertaken for insurance provision, storage and maintenance purposes | Existing procedure adequate |
| Maintenance | Poor performance of assets or amenities<br><br>Loss of income or performance<br><br>Risk to third parties | L<br><br>L<br><br>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<br><br>Where necessary annual maintenance plans are put in place, e.g. computer & CCTV equipment<br><br>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 | Existing procedure adequate. Ensure timely inspections carried out |
| Notice boards | Risk/damage/injury to | L | The Parish Council has 8 notice boards. | Existing procedure adequate |

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| | 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.<br>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<br>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:<br>● theft<br>● fire<br>● damage | <br>L<br>L<br>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.<br>Deeds/leases are copied and stored in a fireproof cabinet |
| Council | Loss through:<br>● Theft<br>● fire<br>● damage<br>● corruption of computer | <br>L<br>L<br>L<br>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.<br>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 |

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| | Interests | | annual basis as a minimum | responsibility to update their register |

**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<br><br>A professional approach is undertaken on all Parish Council matters | Not all Councillors have received training<br><br>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.