



---

# Humber, Ford & Stoke Prior Group Parish Council

## Risk Assessment and Management Updated May 2022

The Parish Council should have in place a system to help it to manage risk. Given the limited range of activities and responsibilities under taken by the Council, this system does not need to be complex, and the approach in this document is taken from standard guidance and templates provided by the Society of Local Council Clerks.

Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery. Councillors are ultimately responsible for risk management because risks threaten a council's ability to achieve its objectives. This document therefore:

- Identifies the key risks facing the council
- Evaluates the potential to the council of one of these risks taking place; and
- Details the measures to avoid, reduce or control the risk or its consequence.

Every local council is different and there is no such thing as a standard list of risks. There are however a number of common themes which have been examined for potential risk:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income, petty cash etc.
- Injury to the public – in playgrounds and recreation grounds, in village halls, at burial grounds etc
- Complying with legal requirements – agendas and minutes, records, etc
- Councillor propriety – declarations of interest, gifts and hospitality etc

All these risks can be minimised or transferred by various means such as taking out insurance, physical measures or by regular inspection and maintenance. In addition to identifying risk, a judgement has been made about the likelihood of the risk occurring and its potential impact. Classification of this is simplified to high, medium or low.

For any new business, event, activity or project, a general risk assessment form will be used to assess the risks and identify the measures to be taken to manage those risks.

This document has been revised in May 2022 in the format recommended in the March 2019 Practitioners' Guide, as recommended in the May 2019 Internal Audit Report.

This document will be reviewed annually by the Clerk / Responsible Financial Officer together with the internal auditor, prior to approval by the Council at the Annual Meeting, Changes from the previous year are highlighted.

Allan Drew

Clerk and Responsible Financial Officer

15 May 2022

## HUMBER, FORD & STOKE PRIOR GROUP PARISH COUNCIL - RISK ASSESSMENT AND MANAGEMENT May 2022

Area	Risk	Impact	Likelihood (1-3)	Impact (1-3)	Risk	Notes	Control <i>(and agreed improvements)</i>
Assets	Damage to or theft of physical assets in public places.	Cost of repair and replacement	2	2	Medium (4)	The Council has limited physical assets (see Asset Register), and does not own its own premises. Public Access Defibrillator at Risbury Village Hall, and Clerk's laptop taken to meetings.	Insurance policy through Zurich Municipal includes sufficient All Risks cover (£10,000) from 01/06/18.
	Damage to or theft of physical assets and supplies in Clerk's home		1	2	Low (2)	Only items of significant value are the laptop and the second-hand photocopier.	Fire alarms and locks fitted to premises. Zurich insurance policy cover includes all assets for All Risks.
	Deterioration of physical assets		2	1	Low (2)	Benches installed in 2009 – no regular maintenance required. Defibrillator installed at RVH.	Photocopier on maintenance contract with BOSS. Other street furniture inspected regularly by Lengthsman or Clerk and any repairs to be funded from reserves. Weekly checks of defibrillator made by Clerk and recorded.
Finance	Loss of investments and savings	Financial loss	0	3	NIL	Current account with Lloyds (balance of up to £10,000) and savings account with Barclays (currently £4516). No investments.	All balances covered by government bank guarantees.
	Loss or theft of cash or cheques		1	1	Low (1)	All cheques banked promptly. Small sums of petty cash (max £100) held.	Cheques insured for £250,000, cash for £5000 in transit or in a safe; cash for £500 not in a safe at Clerk's or councillor's premises or at events.
	Loss of income		1	2	Low (2)	Most income is precept from Herefordshire Council or delegated funding. Parish Pump advertising collection has been strengthened	Insurance not required, as main income is precept, levied by statute. RFO monitors Editor's collection of advertising income;
	Loss of cash through theft or dishonesty		1	1	Low (1)	Only small cash sums handled routinely. Community Week is only event handling sums over £100. Most Parish Pump advertising paid by cheque or BACS.	Receipts obtained/issued for all cash transactions. Cash banked within 48 hours using paying-in slips. Fidelity Guarantee Insurance in place (£25,000 from 1 June 2018) adequate for level of risk.

	Errors in financial controls and records or financial loss through dishonesty or fraud by Council officers or councillors.		1	2	Low (2)	Invoices, cheques, cash books, receipts and bank statements managed by RFO. Currently nearly all payments made by cheque, requiring two signatories (nominated councillors). Limited number of payments made by direct debit where no alternative given.	Bank reconciliations prepared by RFO, reported to Council with bank statements and signed by nominated councillor each quarter. All receipts & payments recorded on numbered vouchers. Invoices/vouchers inspected and countersigned by cheque signatories. List of payments authorised by Council and signed off by Chairman. Two signatories on cheques. Internal audit of cash books, receipts, statements etc undertaken in April. Fidelity Guarantee Insurance in place (£25,000) against fraud by RFO/Clerk or councillor.
	Non-compliance with VAT Regulations	Financial penalties and loss	1	2	Low (1)	Council not VAT-registered but can reclaim non-business VAT.	VAT accounted separately in cash books and accounts. VAT reclaim for previous financial year made each summer.
	Poor budgeting to underlie annual precept	Inadequate finance for required functions	1	3	Medium (3)		Finance Working Group considers detailed draft budget in September, circulated to councillors for comment, publicised for public comment, then approved by Council in November, Precept derived directly from this. Expenditure against budget reported to Council at each meeting in RFO report.
	Non-compliance with borrowing restrictions	Penalties and requirement to cancel or repay borrowing	1	0	Nil	No borrowing at present.	If borrowing required, a business plan will be prepared and submitted through HALC for approval, and all borrowing conditions complied with.
	Misuse or loss of debit card	Financial loss	1	0	Nil	Council does not hold a debit card	Fidelity Guarantee Insurance in place (£25,000 from 1 June 2018) adequate for level of risk.
Public Liability	Legal liability arising from Lengthsman work	Financial loss and reputational damage	1	3	Medium (3)	Minor highway maintenance work undertaken through independent contractors under delegated powers from Herefordshire Council. Council and contractors required to have £5m liability insurance.	Public liability insurance of £10m, and contractors required to provide to Parish Council a copy of insurance certificate of £5m liability insurance. Contractors asked to confirm in writing they have undertaken required training and have appropriate equipment.

	Legal liability arising from accident at events or activities		2	3	High (6)	Community Week events: Guidance provided by insurers about specific risks (eg bonfires).  Voluntary activities (eg litter picking).	Confirmation obtained annually from CW Committee that proposed events covered under Council's Public Liability insurance (£10m). Assessment of any new events undertaken. Written risk assessment and plan prepared by Clerk prior to CW activities and any activity using volunteers.
	Legal liability as consequence of asset ownership		1	3	Medium (3)	Few physical assets, unlikely to give rise to liability, with exception of public access defibrillator.	Public liability Insurance in place (£10m). At least annual inspection of physical assets for safety/maintenance by Clerk, reported to Annual Meeting. Defibrillator registered with WMAS and inspected weekly/monthly by Clerk; no liability if checked and ok.
	Libel or slander by councillors or employees		1	3	Medium (3)		Official council publications/documents approved by Clerk and Chairman or nominated councillor. Insurance (£100,000) in place from 1 June 2018.
	Negligent act or error by employee or councillor including unauthorised disclosure of personal data		1	3	Medium (3)	GDPR in force 25 May 2018..	Officials' Indemnity insurance covered under Public Liability cover from 1 June 2018. GDPR compliance Action Plan in place.
Employer Liability	Non-compliance with Employment Law	Financial penalties	1	2	Low (2)		Membership of HALC and SLCC to keep up-to-date with requirements.
	Non-compliance with HMRC requirements	Financial penalties	0	2	NIL	Autela handles all HMRC issues	.
	Safety of staff, councillors and public at meetings or events	Legal action with financial loss and reputational damage	1	3	Medium (3)	Meetings held on hired premises covered by premises' insurance.	Employer's Liability insurance (£10m) in place.
Personal Accident	Assault on staff or others carrying cash	Financial loss and harm to staff	1	3	Medium (3)		Personal Accident (Assault) cover provided under Money insurance.
	Accident to staff or councillors whilst carrying out duties	Claim for damages and harm to councillors	1	3	Medium (3)		Personal Accident insurance in place.

Legal Liability	Council acting beyond legal powers	Challenge to actions, with consequential financial loss and reputational damage	1	3	Medium (3)	Limited range of activities and responsibilities. Council has General Power of Competence, to be renewed at Annual Meeting in 2024.	All expenditure items have specific legal authority identified in payments schedule. Clerk clarifies legal position on any new proposal. Legal advice to be sought where necessary.
	Inadequate Minutes and documents recording authority to act		1	2	Low (2)	Council meets two-monthly. Committees meet as required,	Draft minutes circulated to members within 1 week and approved at next meeting. Minutes made available to press and public on website and published in the Parish Pump.
	Inadequate document control		1	2	Low (2)	No important legal documents or leases/deeds held. Minutes on numbered pages in loose-leaf minute books.	Minutes pages signed/initialled by Chairman. Electronic copy of minutes since 2010 on computer and off-site back-up.
Councillor propriety	Conflicts of interest by councillors	Challenge to actions, with consequential financial loss and reputational damage	2	3	High (6)	Legal requirement for councillors to complete/submit Register of Interests to county Monitoring Officer. Code of Conduct adopted. Standing Orders specify policies and procedures in line with legislation.	Code of Conduct provided to all councillors. Clerk ensures councillors submit Register of Interests and retains copy. Agenda item at Annual Meeting reminding councillors of duty to keep Register up to date, Clerk ensures Standing Orders followed. Council reviews any changes to legislation and required changes to Standing Orders at least annually at Annual Meeting.
	Gifts and hospitality to councillors		1	2	Low (2)	Legal requirement to declare gifts and hospitality received	Code of Conduct provided to all councillors.
Legal expenses	Costs of legal proceedings	Unexpected financial loss	1	3	Medium (3)		Legal Expenses insurance in place (£100,000 from 1 June 2018).
Staffing	Loss of services of Clerk/RFO temporarily	Inability to act or meet legal obligations; loss of financial controls.	2	2	Medium (4)	Council's sole employee and officer. Often away on other business.	Use temporary qualified Clerk service from HALC. Seek to appoint Deputy Clerk to act temporarily from time to time, at least to clerk meetings or undertake essential tasks. Deputy Clerk briefed and trained by the Clerk in main aspects of the Clerk and RFO roles.
	Loss of services of Clerk/RFO permanently		1	3	Medium (3)	Council's sole employee and officer.	In interim, use temporary qualified Clerk service from HALC. Appoint any Deputy Clerk as Acting Clerk with assistance from HALC, or pay HALC

							to provide a qualified person to be Acting Clerk with the Deputy Clerk supporting. Advertise for permanent replacement.
--	--	--	--	--	--	--	---