

## HOCKLEY PARISH COUNCIL RISK MANAGEMENT ASSESSMENT

HPC risk assessment

Description of risk	Numerical assessment				Mitigation or control	Numerical assessment after mitigation				Trend of risk from previous report	Last revision	
	Likelihood	Impact	Score	Colour		Likelihood	Impact	Score	Colour			
<b>Business Continuity</b>												
1	Incapacity/absence of the Clerk	1	5	5	G	Designate a person to temporarily act as Clerk in an emergency. A Locum Service is available through EALC	1	5	5	G	→	2010
2	Resignation of the Clerk	1	5	5	G	Undertake succession planning; Admin Assistant appointed as designate.	1	5	5	G	→	2012
3	Malpractice	1	5	5	G	Fidelity Insurance. Monthly inspections of the books by Finance Committee	1	5	5	G	→	2014
4	Loss or theft of/inability to access records	1	5	5	G	All old copies prior to electronic use are deposited with the Essex County Records Office. All Minutes since 2010 are held on the Council's website. Daily Back-up ar kept onsite and a weekly backup on an external hard drive is kept offsite by the Clerk.	1	5	5	G	→	2010
5	Loss of Income	1	5	5	A	Council has established a reserve of 50% of precept	1	5	5	G	→	2015
6	Failure to retain or secure the necessary number of members for a Council	1	4	4	G	Clerk to maintain an up to date Councillor Attendance Register. Advertise for an election immediately a vacancy exists. Co-opt Members where no election is held.	1	4	4	G	→	2010
<b>Ensure compliance with an Act of Parliament, Council's, financial regulations and code of conduct</b>												
7	Lack of knowledge of regulations and codes	1	5	5	G	Ensure that all Councillors have available relevant Acts. That a Code of Conduct, Standing Orders and Financial Regulations are in place. Highlight essential parts and provide training where relevant.	1	5	5	G	→	2010
8	Absence of Standing Orders	1	5	5	G	Ensure that Standing Orders are produced and adopted by the Council, understood by Councillors and reviewed annually.	1	5	5	G	→	2010
9	Action by the Parish Council outside its powers laid down by Parliament	1	3	3	G	Clerk to monitor relevant legislation and report to Council	1	3	3	G	→	2010
10	Lack of commitment to regulations and procedures	1	4	4	G	Chairman and Clerk to review Council's meeting and operational procedures annually.	1	4	4	G	→	2014
11	Items purchased without proper tendering procedures, not providing value for money or resulting in accusations of commercial favouritism.	1	3	3	G	Parish Council to obtain at least three quotations for key purchases. See Internal Financial Control System Policy.	1	2	2	G	→	2010
12	Lack of control of signatories to cheques	1	5	5	G	Two Councillors as authorised signatories approved by the Council. See Internal Financial Control System Policy.	1	5	5	G	→	2014
13	VAT not properly accounted for, resulting in overclaims and large demands from HMRC.	1	4	4	G	Ensure appropriate VAT publications are held and that Clerk has good knowledge of the regulations. See Internal Financial Control System Policy.	1	4	4	G	→	2014
14	Notice of meeting	1	4	4	G	The meeting Agenda is placed on the village noticeboards and on the Council's website giving the required notice of each meeting.	1	4	4	G	→	2010
15	Approval of minutes	1	4	4	G	Minutes are approved at the next Meeting of the Council. Draft Minutes are forwarded to Councillors and displayed on the Council's website no later than two weeks after a meeting.	1	4	4	G	↗	Review
16	Register of interests	1	5	5	G	Councillors are required to declare an interest in any item of business and this is recorded in the Minutes. Completed Register of Interests forms are submitted to the Monitoring Officer and regularly reviewed.	2	5	10	G	→	2010

17	Security of data (IT systems and support)	1	5	5	G
18	Freedom of information	1	5	5	G
19	Payments made without prior approval and adequate control	1	4	4	G

#### Governance and Management

20	Engagement by Members in the operation and activities of the Parish Council	1	5	5	G
21	Impact of Public spending cuts	3	5	15	A
22	Lack of engagement by Councillors and Residents on major items of public interest	1	5	5	G
23	Lack of knowledge by Councillors on their role, responsibility and accountability	2	5	10	G
24	Inadequate insurance cover for members and Clerk	1	4	4	G
25	Lack of appropriate financial controls and reporting	1	5	5	G
26	Lack of engagement/knowledge of residents concerns and views	1	5	5	G
27	Use of funds not in accordance with residents wishes	1	5	5	G
28	Lack of commitment by Members to the budgetary process	1	4	4	G
29	Failure to ensure that the annual precept results from an adequate budgetary process.	2	4	8	G
30	Inadequate internal controls with regard to monitoring expenditure	1	4	4	G
31	Election costs	1	3	3	G
32	Reserves too high/low	1	2	2	G
33	Failure to ensure that all employees are paid in accordance with Council regulations and are adequately monitored	1	4	4	G

Confidential documents are stored in a locked filing cabinet. Computers are password protected. Antivirus protection installed and operating systems regularly patched and up to date.	1	5	5	G	HPC risk assessment →	2010
The Council has adopted the model scheme.	1	5	5	G	→	2010
Ensure that all payments are approved in Council meetings and recorded in Minutes.	1	4	4	G	→	2010

Take every opportunity to publicise the role of the Parish Council through the village newsletter and website. Effective use of village noticeboards. Use key issues to raise profile of Parish Council and to test parishioners views. Publish Councillors contact details on the Website and Village noticeboards.	1	5	5	G	→	2010
All Councillors to be made aware that priorities must be set on the basis of the financial capacity of the Parish Council to deliver. <u>Attend training where appropriate.</u>	3	5	15	A	⊠	Review
Ensure publicity through local village newsletter, village noticeboards and website.	1	5	5	G	→	2010
Chairs of committees and Working Groups will assist new Members in learning how to manage their role. Attend any training courses available.	2	5	10	G	→	2010
Review Risk Assessment by including on Agenda of Parish Council meetings at least annually. Ensure a Risk Assessment is carried out for all new assets and appropriate insurance cover implemented.	1	4	4	G	→	2010
The Parish Council have adopted a <u>Resources and Procedures Committee</u> with oversight of accountancy practice. Clerk to ensure that Receipts and Payments are promptly and accurately recorded. All invoices to be checked and reported to next Parish Council meeting. Clerk to balance accounts against bank statements monthly. Clerk to produce up to date reports at all meetings. Internal and External Audit reports to be made available to all Councillors and any recommendations acted upon promptly.	1	5	5	G	⊠	Review
Public Open Forum Sessions are held as part of each Council meeting. Use is made of village newsletter, website, monthly village market surgeries and village noticeboards.	1	5	5	G	→	2014
Effective Budget Planning Process. <u>Five year budget prepared for councillors consideration and reviewed annually with the annual plan.</u>	1	5	5	G	⊠	Review
Include regulations in Standing Orders issued to all Councillors. Place item on Agenda early in the council's year to remind Councillors of budget process and actions required. Involve all Councillors in budgetary process not solely the Clerk. (This requires strengthening)	2	5	10	G	⊠	Review
Start consideration of budgetary process at least six months prior to submission date of Precept. Checks by Clerk/RFO and Internal Auditor.	5	4	20	R	⊠	Review
Internal Audit checks are carried out every six months by an external auditor to ensure effective financial management by Clerk/RFO.	1	4	4	G	→	2010
In an election year, estimated costs obtained from the Electoral Officer and included in the budget. In other years the Council provides a sum within its working balance to meet possible by-election costs.	1	3	3	G	→	2010
Auditor advises reserve balance must not exceed twice the Precept.	1	2	2	G	→	2014
Parish Council employ external payroll service. A Contract of Employment and Job Description is agreed for the Clerk. Terms and conditions are agreed in the Minutes. Ensure employee regulations are available and understood by the Clerk. No additional payment to the Clerk without Council approval.	1	4	4	G	→	2014

34	Failure to ensure that year end accounts are correctly prepared	1	4	4	G	Include a timetable in Standing Orders/Financial Regulations. Internal Audit checks. Financial reports to all Parish Council meetings.	1	4	4	G	→	HPC risk assessment 2010
35	Failure to identify, value and maintain all assets of the Parish Council, and ensure that asset and investment registers are complete.	1	5	5	G	Record and maintain a record of all assets for which the Parish Council is responsible and include in year end accounts. Arrange for annual review of valuations and arrange for professional valuation where appropriate.	1	5	5	G	→	2010
36	Adoption and implementation of appropriate Government legislation	1	5	5	G	Clerk to have appropriate legislation available. Review liabilities and responsibilities periodically at Parish Council meetings.	1	5	5	G	→	2010
<b>Physical events</b>												
1	Damage or injury to third parties	1	5	5	G	Public Liability Insurance with annual check on level of cover in place. Ongoing maintenance to seats and shelters. Annual inspection of playareas	1	5	5	G	→	2010
2	Loss or damage of Parish equipment and assets	2	5	10	G	Property damage, all-risk insurance. Regular maintenance of equipment; P.A. testing, maintenance contract for security and firefighting equipment.	2	5	10	G	→	2010

**Size of risk**

Descriptor	Likelihood	Impact
1	2% likely to happen	Very low
2	5% likely to happen	Low
3	10% likely to happen	Moderate
4	20% likely to happen	High
5	50% likely to happen	Very high

**Risk score**

0 - 10	Low
11 - 15	Medium
>15	High

G = Green

A = Amber

R = Red



Rating has improved

Rating has stayed the same

Rate has deteriorated

Rating to be reviewed in 2015

**Draft risk assessment**

Jul-13