

HARVINGTON PARISH COUNCIL

Adopted 18.04.18.
 Reviewed: May 10th 2023.
 Next Due: May 2026.

RISK MANAGEMENT POLICY.

Harvington Parish Council recognises that it has a responsibility to manage risks both internally and externally. It is the responsibility of all Members and the Clerk to have regard for risk whilst carrying out their duties.

Risk Management is identified by the Audit Commission as an essential part of governance. The Accounts & Audit Regulations 2003 states that: *“The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s function, and which includes arrangement for the management of risk”.*

What is risk? Is the chance or likelihood of the possibility of injury, damage, injury even failure to achieve the Council’s policies caused by an incident that the Council has not foreseen. Management of risk is the process of identifying what could cause risks to the Council financially and to ensure that those risks are kept to a minimum.

Governance and Accountability for Smaller Authorities in England March 2017 states:

Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority’s objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority’s corporate governance arrangements and its ability to deliver its priorities.

Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation and can impact on the ability to achieve desired outcomes.

There are four ways of dealing with risk:

- Identify risk i.e.financial, security (fraud, theft), damage to assets, Legal issues, reputation.
- Assess risk - by internal control. Manage by Insurance cover.
- Address risk - by managing, prevention, transfer i.e. external body (Contractor)
- Review and report - risk assessment to be reviewed on a quarterly basis.

Risk Matrix: Assessment of probability and the impact if the risk were to happen.

I m p a c t	High	6	7	9
	Med	3	5	8
	Low	1	2	4
		Low	Med	High
Probability				

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	Description of Risk	Probability	Impact	Risk	Response.
Assets	Protection of Assets	Low	Low	1	All assets come under Insurance policy unless identified on Asset Register as 'not covered'
	Playing Field and equipment and Jubilee Orchard	Medium	High	7	Checked weekly; annual inspection report.
	Streetlights	Low	Medium	3	Ownership is divided between Parish Council and WCC. Worcestershire County Council carries out maintenance and regular checks through the Parish Initiative Scheme.
Finance	Loss of income.	Low	High	6	Fidelity Guarantee Insurance.
	Loss of cash through dishonesty/theft.	Medium	High	7	Receipts issued.
	Financial controls and records	Low	Medium	3	Monthly reconciliation and account summary prepared by Clerk and reported to Council at each meeting. Two signatories on cheques. Payment sheet and cheque stubs countersigned. Internal and external audit. Standing Orders and Financial Regulations that govern internal controls and are updated annually. Online banking commenced April 2020 – Policy in place.
	VAT	Low	Medium	3	VAT refund claims made biannually or annually.
	Budget to form Precept.	Medium	High	7	Finance & General Purposes Group prepares figures at November and December meeting. Precept approved. Expenditure against budget reported to Council monthly.
	Employee	Low	Medium	3	PAYE, and NI if applicable, are made using HMRC Real Time application, submitted by the Clerk and are subject to the Internal Auditor examination. Salary sheets are checked and signed by the Chairman on a monthly basis.
Internal Controls	Up to date Asset Register and investments. Maintenance.	Low	Medium	3	Reviewed annually. Play equipment, Jubilee Orchard, Street Lights, Office equipment and Street Furniture. Annual review of risk assessment, updated during the year as required.
Insurance	Employee Council	Low	High	6	Employers Liability covers of £10,000,000. Public Liability cover of £10,000,000 for members' employee and volunteers. Libel & Slander Personal Accident Income protection Office Equipment Officials Indemnity liability Legal Expenses
Liability	Risk to third party or individuals.	Low	High	6	Adequate insurance in place. Open spaces checked regularly. Trees investigated when damage reported.
	Legal liability in regard to assets, playing field, Jubilee Orchard.	Low	High	6	Weekly checks of playing field and play equipment undertaken and Jubilee Orchard. Records retained. Annual Play Inspection check by ROSPA associated independent inspector of playgrounds.
Records	Hard and computer data.	Low	High	6	Records Retention Policy in place.
Register of Interest.	Members	Low	High	6	Register held by Wychavon District Council (WDC) and can be viewed on the Parish Council website. It is the responsibility of Members to notify any changes to the form to the Monitoring Officer at WDC.

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Risk Management and Internal Control.

System of Internal Control enables the Parish Council to respond to operational and financial risks by having in place:

- Policies and procedures.
- Quarterly reporting.
- Risk Assessment.
- Planning and budgeting.
- External reports i.e. Contractors, Consultants.
- Review of Insurance Policy.

Annual Review of Effectiveness.

On receipt of the internal auditor's Annual Report the Council will:

- Review previous year and effectiveness of Risk Management and Internal Control and make alterations as required.
- Consider the internal and external risk for coming year to address new areas of risk and make changes to internal control if required.
- Councillors are asked to consider the statement below to make a decision as to whether the Council's current system of internal audit is effective, and that this review will form part of the Annual Governance Statement to satisfy that the internal testing of audit criteria has been met.

If changes required, the Parish Council will consider:

- a) Identify and assess risk.
- b) Allocation of resources to address area of concern.
- c) Timely manner to correct actions required.

No:	Control.	Council response –May 2022
1.	Governance:	
1.1	Standing Orders, regulations for the running of the Council, are reviewed by the Finance & General Purposes Group and adopted by the Council on an annual basis. New Standing Orders adopted 2014.	Adopted May 2015. Reviewed and adopted 2018. Annually agreed.
2.	Finance:	
2.1	The Council approves a budget at its January meeting to set the precept for the following year. The Finance & General Purposes Group prepares the budget at its meetings in November/December.	Completed.
2.2	Accounts are presented to Council on a monthly basis showing figures/percentage of budget to actual payments with bank reconciliation.	Agreed.
2.3	Accounts are prepared on a Receipts & Payments format.	Agreed.
2.4	Cashbook is maintained using Microsoft Excel and is updated regularly. All work is held on the Clerk's home computer and backed up using 'My Book' and Dropbox.	Also backed up on 'Dropbox'.
2.5	A schedule of payments is presented monthly to Council for approval of payment. Cheques are signed by two members of the Council and invoices/cheques stubs are initialled by the signatories.	Agreed – Online banking implemented April 20 due to COVID 19 impact.
2.6	New Financial Regulations adopted May 2014.	Reviewed annually. Completed 2023.
2.7	VAT payments are claimed either twice yearly or annually and a column is kept in the cashbook.	Agreed.
2.8	Two bank accounts with Lloyds Bank PLC.	Reviewed annually.
2.9	Amenity contract.	Tender 3 yearly.

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3.	Risk Assessments.	
3.1	Risk assessment is updated on a regular basis and reviewed annually by the Council	Agreed.
4.	Asset Register.	
4.1	Asset Register updated on a regular basis and reviewed by Council annually in May.	Reviewed by Finance & General Purposes Group.
5.	Freedom of Information.	
5.1	Council adopted the revised Model Publication Scheme on the 10.12.2008.	Reviewed and amended by F & GP Group. Council approved May 2023.
6.	Procedures in place to prevent fraud.	
6.1	Council adopted the Local Government Association - Model Councillor Code of Conduct 2020.	Code of Conduct adopted on 8 th June 2022.
6.2	On being elected/co-opted on to the Council all members sign a Declaration of Acceptance of Office.	Completed June 23.
7.	Insurance.	
7.1	Policy reviewed by the Finance & General Purposes Group and agreed by the Council. All assets are covered. Public Liability Insurance cover is £10 million. Insurance is with AXA Insurance UK PLC through Came & Company Brokers. A long term agreement was signed in 2019. Fidelity guarantee. CHECK	
7.2	Employers Liability Insurance in place.	
8.	Internal Auditor.	
	Appointed on an annual basis and independent of the Council. A Letter of engagement is signed by both the Parish Council and the Internal auditor each year as recommended by the External Auditor. The auditor uses the guidelines in section 9 of A Practitioners Guide on Local Governance and Accountability in Local Councils in England and Wales when carrying out the internal audit.	Checks Financial Regulations are in accordance with statutory requirements. Ensures Clerk employment details, Disciplinary/Grievance Procedure in place and HMRC regulations are adhered to. Checks funds given to bodies that have applied for grants are adhered to and policy in place.
9.	External Auditor.	
9.1	Statement of accounts approved by Council at the May meeting.	
9.2	PFK Littlejohn appointed as the External Auditor.	
9.3	Report on findings presented to Council. Any matters highlighted are dealt with as an agenda item.	
10.	Register of Members Interest.	Members reminded to update their Register at every meeting.
11.	General Power of Competence.	Adopted 13.03.13. Renewed May 10 th 2023.
11.1	Two thirds of vacancies filled at last election.	Criteria fulfilled May 2023. The General Power of Competence put in place. Council adopted this power at its meeting on 10.05.23 as it met the relevant criteria required.

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11.2	Qualified Clerk (CiLCA)	Amended Section 7 completed.
12.	Public communications.	
12.1	Website provided by Harvington Parish Council regularly updated.	
12.2	Parish Council activities reported in the Village Newsletter each month. Contact details of the Clerk are in the Newsletter and on the website.	
12.3	Information is also placed in four notice boards.	
13.	Parish Plan and Village Design Statement:	
13.1	Document published in 2011 and adopted by Wychavon District Council as a Local Information Source. Parish Plan actions to be implemented.	Ongoing.
13.2	Neighbourhood Plan.	Document adopted 18.09.19.