

HARVINGTON PARISH COUNCIL

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? Risk is the chance or likelihood of the possibility of injury, damage to property, financial losses, security and IT loss, legal implications, reputational damage, 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 and to ensure that those risks are kept to a minimum.

Governance and Accountability for Smaller Authorities in England (March 2023) states:

“Risks are uncertain events or conditions (not just financial) that if they occur, will affect the authority’s ability to achieve its objectives. The authority generally, and members individually are responsible for risk management. Risks are unavoidable, but they need to be managed either by mitigation or controls such that they are tolerated, treated, transferred or terminated.”

“As a minimum, an authority must identify and assess risks, and address those identified risks by mitigating or managing them.”

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. Managed by Insurance cover.
- Address risk - by managing, prevention, transfer out, i.e. to an 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. Harvington Parish Council’s risks detailed overleaf:

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Risk Area	Description of Risk	Probability	Impact	Risk	Response
Assets	Protection of Assets – loss or damage	Low	Low	1	All assets come under Insurance policy, unless identified on Asset Register as 'not covered'. Asset Register checked by IA, and assets reviewed by Council quarterly. Assets listed on HPC website.
	Playing Field and equipment and Jubilee Orchard	Med	High	7	Checked weekly; annual inspection report.
	Streetlights	Low	Med	3	Ownership is divided between Parish Council and Worcestershire County Council carries out maintenance and regular checks through the Parish Initiative Scheme.
Finance	Loss of income	Low	High	6	Fidelity Guarantee Insurance, reviewed annually to ensure adequate cover
	Loss of cash through dishonesty/theft	Med	High	7	Fidelity Guarantee Insurance. Receipts issued. No cash handled.
	Financial controls and records to detect and deter fraud/corruption/errors	Low	Med	3	Monthly reconciliation and account summary prepared by Clerk and reported to Council at each meeting. Two signatories on cheques and banking payment transactions. 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.
	Ensure that HMRC VAT regulations are met	Low	Med	3	VAT refund claims made biannually or annually. IA review.
	Budget to form Precept	Med	High	7	Finance & General Purposes Group prepares figures at November and December meetings. Precept approved in full council meeting. Expenditure against budget reported to Council monthly. Budget published on HPC website.
	Employee	Low	Med	3	PAYE, and NI, 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.
	Proper use of funds granted to local community bodies (s137)	Low	Low	1	Grant Policy and application form sent to grant requesters. Supporting information checked by Clerk and grant award minuted.
	Proper financial records in line with statutory requirements	Low	Low	1	Reconciliation reviewed quarterly by Councillors, along with summary of accounts and payments record. Reviewed annually by IA.

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	Professional services in line with Financials Regs,				Standing Orders and Financial Regulations in place for dealing with awarding of contracts. County Association for advice. IA review.
Internal Controls	Up to date Asset Register and investments. Maintenance	Low	Med	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 property or individuals	Low	High	6	Adequate insurance in place and reviewed annually Open spaces checked regularly. Trees investigated when damage reported.
	Legal liability as a consequence of assets ownership, eg playing field, Jubilee Orchard, Defibrillators	Low	High	6	Weekly checks of playing field and play equipment undertaken, defibrillators and Jubilee Orchard. Records retained. Annual Play Inspection check by ROSPA associated independent inspector of playgrounds. Adequate insurance cover in place.
Records	Hard and IT data and proper systems in place	Low	High	6	Records Retention Policy in place. Back up's regularly undertaken.
Register of Interest	Members should keep their details accurate and up to date	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.
Policies	Monitoring of performance	Low	Med	3	Councillors review budget monthly, and policies reviewed at reasonable intervals, most annually or every two years.
Minutes	Proper, timely and accurate reporting of council business in the minutes	Low	Low	1	Draft minutes reviewed by all councillors ahead of signing (within agenda pack), as per Transparency Code and IA review. Minutes posted on HPC website and noticeboards.
Compliance	Business activities are compliant and up to date	Low	High	6	Transparency Code compliance. Stay up to date with legislative change, acting within legal power of councils. Legal powers referenced against monthly payments whilst Clerk does not hold GPOC. IA review.

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Risk Management and Internal Control.

A 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 are required, the Parish Council will consider the:

- a) Identification and assessment of risk.
- b) Allocation of resources to address area of concern.
- c) Need to respond in a timely manner to correct the actions required.

No:	Control.	Council response –May 2026
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 work laptop and backed up using USB and MS Cloud..	Also backed up on 'One Drive'.
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.
2.6	New Financial Regulations adopted May 2014.	Reviewed annually. Completed.
2.7	VAT payments are claimed either twice yearly or annually and a column is kept in the cashbook.	Agreed.

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2.8	Two bank accounts with Lloyds Bank PLC.	Reviewed annually.
2.9	Amenity contract.	Tender 3 yearly.
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 Clear Council's Insurance, (underwritten by Ecclesiastical). Fidelity guarantee.	Completed.
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/June meeting.	
9.2	PFK Littlejohn appointed as the External Auditor.	In place.
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.	Not currently held by Clerk.

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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.
11.2	Clerk studying for CiLCA qualification	
12.	Public communications.	
12.1	Website provided by Harvington Parish Council, regularly updated.	
12.2	Contact details of the Clerk are on the website.	
12.3	Information is also placed on 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. South Worcestershire Development Plan adopted March 2026.	Ongoing.
13.2	Neighbourhood Plan.	Document adopted 18.09.19, followed by mini-review in 2025, major review 2026

Date of Policy: May 2026

Recommending Committee: Finance & General Purposes Group

Date of committee meeting: 5 May 2026

Policy version reference: v1 2026

Supersedes: Risk Management HPC (adopted 18 April 2018, reviewed May 2023)

Final Approval: Full Ordinary Parish Council Meeting

Policy effective from: 13 May 2026

Date for next review: May 2029