

HASSOCKS PARISH COUNCIL

To: Council
Date: 30 June 2020

Contact for this report: Parish Clerk

Subject: **Item 6.4** Annual Risk Report.

1. Hassocks Parish Council is required to monitor and review risks on an ongoing basis and to consider policies arrangements in place to mitigate
2. This report sets out the risk assessments for Hassocks Parish Council covering:
 - Financial & Management risks
 - Physical risks.
3. Members are requested to review and consider the attached risk assessments to determine they are satisfied with current management/controls of the risk in operation and that appropriate actions are being taken to reflect the changing risk environment.

RECOMMENDATION

4. Members are **RECOMMENDED** to consider the contents of the risk reports and note the actions put in place to manage the risks to the Council and to approve the current approach to risk management.

HASSOCKS PARISH COUNCIL – RISK ASSESSMENT

The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or mitigate the risks, insofar as is practically possible. Making sure that all employees and councilors are made aware of the results of the risk assessment.

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to

In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed.
- Identify what the risk may be.
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise if required.

FINANCIAL AND MANAGEMENT

Key: High Medium Low

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
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Precept	Adequacy of precept	L/M	<p>To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full Council. At the Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings obtained by the Clerk.</p> <p>With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from the District Council. This figure is submitted by the Clerk in writing to the District Council.</p>	<p>Existing arrangement adequate</p> <p>The Council has developed a business plan which will inform the Councils budget strategy going forward.</p>
	Requirements not submitted to District Council	L		
	Amount not received from District Council	L	The Clerk informs Council when the monies are received	Existing arrangement adequate
Financial Records	Inadequate records	L	The Council has Financial Regulations which set out the requirements.	Existing procedure adequate. Financial Regulations are reviewed as required to reflect the increasing size of the authority and are based on NALC model documents.

FINANCIAL AND MANAGEMENT
 Key: High Medium Low
 Topic Risk H/M/L Management/control of risk Review/Assess/Revise

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
	Financial irregularities	L	The records are subject to both internal and external audit. Money can only be withdrawn from the bank account under signature of two councillors, who are independent of the financial record keeping. Segregation of duties are in place where feasible.	Current arrangements adequate.
Bank and Banking	Inadequate checks Bank mistakes Loss Charges	L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. If the bank makes occasional errors in processing cheques this would be discovered when the Clerk/Deputy Clerk reconciles the bank accounts once a month when the statements arrive. Errors would be dealt with immediately by informing the bank and awaiting their correction.	Existing procedure adequate. Review the Financial Regulations when necessary and bank signatory list when necessary, Monitor the bank statements monthly.
Cash	Loss through theft or dishonesty	L	Council has Financial Regulations which set out the requirements for handling transactions.	Existing procedure adequate. Review the Financial Regulations when necessary.
Reporting and Auditing	Information Communication	L	A monitoring statement is produced regularly at each main Council meeting, discussed and approved at the meeting.	Existing communication procedures adequate. Budget monitoring reports were introduced 2017/18 and reported to Policy Resources & Communications Committee periodically.

FINANCIAL AND MANAGEMENT

Key: High Medium Low

Topic

Risk

H/M/L

Management/control of risk

Review/Assess/Revise

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
	Compliance	L	This includes, bank reconciliation, and a breakdown of receipts and payments balanced against the bank. Council should regularly audit internally to comply with the Fidelity Guarantee. The Council has Financial Regulations which set out the requirements.	Council appoints an appropriate Internal auditor to provide assurance on the control environment. Existing procedure adequate. Review the Financial Regulations when necessary.
Direct costs Overhead expenses Debts	Goods not supplied but Billed Incorrect invoicing	L L	At each Council meeting the list of invoices paid is distributed to Councillors, and considered	
	Cheque payable Incorrect	L	Each Councillor who signs the cheque also checks each invoice against the cheque book and associated paperwork and initials the chq stub as evidence of this.	
	Loss of stock	L	The Council has minimal stocks, these are checked and monitored periodically where necessary.	
	Unpaid invoices	L	Unpaid invoices to the Council for use of the playing field are pursued by the clerk/deputy clerk and reported to Council as appropriate.	
Grants and support - payable	Power to pay Authorisation of Council to pay	L	All such expenditure goes through the required Council process of approval, minutes and is listed accordingly.	Existing procedure adequate.

FINANCIAL AND MANAGEMENT

Key: High, Medium, Low

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Grants - receivable	Receipts of Grant	L	The Parish Council does not presently receive any regular grants. One off grants would come with terms and conditions to be satisfied.	Procedure would need to be Formed, if required and be influenced by the conditions associated by any grant funding received.
Best value Accountability	Work awarded Incorrectly	L	Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought.	Existing procedure adequate. This area is kept under review and amended as required.
	Overspend on services	L	If a problem is encountered with a contract the Clerk would investigate the situation/tender, research the quotation/tender, check the problem and report to Council.	
Salaries and associated costs	Salary paid incorrectly Wrong deductions of NI or Tax Unpaid Tax & NI contributions to HMRC	L	The Parish Council authorises the appointment of all employees. All staff are paid on National Joint Council (NJC) rates. All salary calculations/Tax/NI and pension contributions are calculated by a payroll provider and paid over directly by the Council. All is subject to the internal audit.	Existing procedure adequate
Employees	Insufficient resources available to continue to operate effectively.	L/M	Vacant posts would be advertised and another appointment made. In the event of the Clerks role being vacant assistance of neighbouring parish clerks would be sought or utilise locum support.	Existing procedures adequate
	Fraud by staff	L		Existing procedures adequate

FINANCIAL AND MANAGEMENT

Key: High Medium Low

Topic

Risk

H/M/L

Management/control of risk

Review/Assess/Revise

	Actions undertaken by staff	L	Financial Regulations in place. Segregation of duties in operation to reduce the risk of fraud. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.	Existing procedures adequate.
	Health & Safety	L	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Monitor working conditions, safety requirements and Insurance regularly.
Councillor allowances	Councillors over-paid Income tax deduction	L	No allowances are currently allocated to Parish Councillors with the exception of the Chairs allowance	Existing procedure adequate
Election costs	Risk of an election cost	L/M	Risk is higher in an election year. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. However reserves are held to cover the likely cost based upon the estimated cost supplied by the district council from time to time.	Existing procedure adequate
VAT	Re-claiming/charging	L	The Council has Financial Regulations which set out the requirements	Existing procedure adequate

FINANCIAL AND MANAGEMENT

Key: High Medium Low

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings.	Existing procedure adequate
Minutes/Agendas/Notices Statutory Documents	Accuracy and legality	L	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting. Minutes and agenda are displayed according to the legal requirements.	Existing procedure adequate. Guidance/training to Chair should be given (if required).
Members interests	Business conduct	L	Business conducted at Council meetings should be managed by the Chair.	Members adhere to Code of Conduct and Standing Orders.
	Conflict of interest	L/M	Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda. Guidance notes have been provided to members.	Existing procedure adequate.
	Register of Members interests	L	Register of Members Interest forms should be reviewed regularly by Councillors.	Members take responsibility to update their Register.
Insurance	Adequacy	L	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place.	Existing procedure adequate.
	Cost	L	Employers and Employee liability insurance is a necessity and must be paid for.	Review insurance provision annually.

FINANCIAL AND MANAGEMENT

Key: High, Medium, Low

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
	Compliance Fidelity Guarantee	L	Ensure compliance measures are in place. Ensure Fidelity checks are in place.	Review of compliance.
Data protection	Policy	M	The Council is registered with the Information Commissioner.	Ensure annual review of registration. Changes in legislation in May 2018 will impact on the Council therefore current arrangements are kept under review to ensure compliance.
Freedom of Information Act	Policy	L	The Council has a model publication scheme for Local Councils in place.	Monitor and report any impacts of requests made under the Freedom of Information Act.
	Provision	L	The Council is able to request a fee if the work will take more than 15 hours.	
Code of Conduct	Failure to comply with This will be reported to the MSDC Monitoring Officer	L	The clerk is therefore able to offer suitable advice re compliance. Councillors are offered training. The clerk has access to NALC resources if further support is required.	Existing procedure adequate. This will be reviewed in 2019/20

PHYSICAL ASSET

Key High, Medium, Low

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Assets	Loss or Damage Risk/damage to third party(ies)/property	L/M	Annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Existing procedure adequate. Fundamental review of Assets completed in 2017/18 and is reviewed on an ongoing basis
Maintenance	Poor performance of assets or amenities	L/M	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council.	Existing procedure adequate. Ensure inspections carried out.
	Loss of income or Performance	L	All assets are insured and reviewed annually.	
	Risk to third parties	L	All public amenity land is inspected regularly.	
Notice boards	Risk/damage/injury to third parties	L	Parish Council has a number of notice boards sited within the park and village.	Condition inspections carried out. Existing procedure adequate.
Street furniture	Risk/damage/injury to third parties	L	The Parish Council is responsible for a number of streetlights, dog bins, litter bins, bus shelters around the village and covered by insurance. Periodic condition inspections are undertaken all reports of damage or faults are reported to Council and/or dealt with.	Existing procedure adequate
Playing Fields – Adastra Park	Risk/damage/injury to third parties	L	There is a formal programme of inspections carried out, all reports of damage or faults are reviewed by the	Existing procedure adequate

PHYSICAL ASSET

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
			<p>Clerk and appropriate action taken. Independent monthly play equipment inspections are undertaken which is supplemented by an annual condition survey undertaken by an independent accredited third party organisation. Appropriate insurance cover is obtained. A grounds man is responsible for ensuring the preparation of the playing fields in Adastra Park in conjunction with a contractor to ensure appropriate standards are maintained.</p>	
Allotments	Risk/damage/injury to third parties	L	Documented arrangements in operation. Managed in partnership with Hassoocks Allotment Association. Inspection regime in operation supported by a maintenance regime.	Existing arrangements adequate.
Burial Grounds	Risk/damage/injury to third parties	L	Documented arrangements in operation. Operated in conjunction with local undertaker(s)	Arrangements were independently reviewed 2017/18 to provide assurance on frameworks in operation. These continue to kept under review
Council records – paper	Loss through: theft fire damage	L/M	The Parish Council records are stored at the Parish offices. Records include historical correspondence, minute books and copies, leases for land or property, records such as personnel, insurance, salaries etc. Recent materials are in a (filing cabinet) and	Document storage arrangements to be reviewed to ensure they meet the Councils standards. Deeds/leases security to be reviewed to reduce the risk of damage from fire

PHYSICAL ASSET

Topic	Risk	H/M/L	Management/control of risk	Review/Assess/Revise
Council records - electronic	Loss through: Theft, fire, damage corruption of computer	L/M	older more historical records in cupboards The Parish Council's electronic records are stored and backed up remotely via a third-party contractor.	Existing procedure adequate.