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## **HERNHILL PARISH COUNCIL**

### **Risk Assessment**

Adopted: April 2015

Revised: September 2018

Revised: August 2019

Next review: August 2020

The guidance booklet produced by NALC and the Society of Local Council Clerks entitled “Governance and Accountability for Smaller Authorities in England 2019 – A Practitioner’s Guide” states that:

1. Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority’s objectives.
2. Risk includes:
  - Financial – loss of money
  - Security – fraud, theft, embezzlement
  - Property – damage to property
  - Legal – breaking the law or being sued
  - IT – failure of IT systems or misuse
  - Reputational – actions taken could harm the authority’s public reputation
3. In order to manage risk, an authority needs to know what risks it faces, assess the potential consequences of a risk occurring (impact) and consider how likely this is (likelihood). Risk assessment enables the authority to decide which risks it should pay most attention to when considering what measures to take to manage them.

Hernhill Parish Council recognises that it has a responsibility to identify and manage risk in order to protect its assets, employees and the community against potential losses and uncertainty and in order to achieve its objectives efficiently. The risks which the Council faces are identified below and their impact and likelihood are assessed using the following matrix:

<b>Likelihood</b>	Highly likely (3)	Medium (3)	High (6)	High (9)
	Possible (2)	Low (2)	Medium (4)	High (6)
	Unlikely (1)	Low (1)	Low (2)	Medium (3)
		Negligible (1)	Moderate (2)	Severe (3)
		<b>Impact</b>		

### Context

Hernhill is a rural parish spread across several hamlets/villages. The parish council owns a village green and no other significant assets.

	Description	Duty/Power	Risk	Likelihood /Impact	Action
	<b>Land</b>				
1.	Ownership of village green.	Power to acquire and maintain open spaces	Injury to public using the land	2/3	1. Periodically inspect the land and structures on it. 2. Maintain public liability insurance. 3. Review insurers requirements on policy renewal.
	<b>Other fixed assets</b>				
2.	Ownership of seating on village green.	Power to provide roadside seats	Injury to users	2/3	1. Periodically inspect and repair as required. 2. Maintain public liability insurance. 3. Review insurers requirements on policy renewal.
	<b>Highways &amp; Paths</b>				
3.	Rights of way & Footpaths	Power to maintain public footpaths and bridleways. Power to complain to District Council about protection of such rights of way.	Injury to public if rights of way not maintained or defects not reported to District Council promptly.	1/2	1. No repairs to be undertaken by Parish Council. 2. All disrepair to be reported to District Council promptly. 3. The public to be encouraged to report disrepair to District Council direct.
4.	Verges	Power to maintain highway verges	Injury to road users from disrepair and vegetation.	1/3	1. No maintenance to be undertaken by Parish Council. 2. All disrepair made known to Parish Council to be reported to Highway Authority and landowner (if known) promptly. 3. The public to be encouraged to report disrepair to Highway Authority direct.

	<b>Environment</b>				
5.	Litter bins	Duty to ensure any litter bins provided are regularly emptied and cleaned	Breach of statutory duty and liability to public for any harm caused	1/2	1.Ensure arrangements are in place for all bins to be emptied and cleaned by District Council 2. All bins to be periodically inspected and any problems reported to District Council
	<b>Planning</b>				
6.	Local planning applications	Right to be consulted	Failure to report any material consideration leading to inappropriate development	1/2	Review planning applications at Council meetings
	<b>Crime</b>				
7.	Crime prevention	Power to spend money on crime prevention	Increase in crime if prevention measures not taken or ineffective	1/2	1. Neighbourhood Watch encouraged 2. Crime prevention measures to be considered when appropriate. 3. Maintain relationship with local PCSO and distribute relevant information as required
	<b>Finance &amp; Purchasing</b>				
8.	Annual budget	Preparation of annual statements of estimated income and expenditure	Insufficient funds available to pay for services to be provided or excess funds raised by precept	1/2	Following year's costs to be reviewed and agreed at annual budget meeting
9.	Unexpected costs incurred in excess of annual budget	Financial management	Insufficient funds to meet costs incurred	1/1	1. Purchase of services and goods not included in budget to be deferred 2. Reserves held to meet unexpected costs and amount of reserves to be reviewed at annual budget meeting
10.	Purchases	Placing contracts for goods and services on behalf of Council	Failure to observe Standing Orders and Financial Regulations leading to overpayment, improper acquisitions or breach of Code of Conduct	1/1	1. Usually obtain separate quotes for services and goods. 2. Ensure procedure followed complies with Standing Orders and Financial Regulations 3. Check contracts within Councils legal powers before being placed
	<b>Accounts &amp; Audit</b>				
11.	Financial records	Duty to maintain accurate and up to date financial records	Failure to account for money received and paid. Fraud.	1/2	1. Clerk to be provide with any training required to ensure compliance with current accounting standards 2. Accounting records to be reviewed quarterly

12.	Purchases	Duty to ensure parish funds are properly applied	Fraud, over payment, theft of funds	1/2	1. All payments made by cheque. 2. Bank mandate to require all cheques signed by two councillors. 3. Cheque stubs initialled by signatories. 4. Insurance cover arranged and level reviewed annually
13.	Receipts	Duty to ensure parish funds are protected	Failure to account for money received. Loss of money through fraud	1/2	1. All money and payments received to delivered to clerk and banked as soon as possible 2. Accounting records to be reviewed quarterly 3. Insurance cover arranged and level reviewed annually
14.	Financial reporting and audit	Duty to maintain accurate and up to date financial records. Duty to produce annual audited accounts	Lack of control could result in failure to account for money received and paid, or loss through fraud.	1/2	1. Income and expenditure report to be produced and reviewed at each Council meeting 2. Independent auditor to be appointed who has no connection with any Councillor or the clerk 3. Accounting records to passed to independent auditor within one month after year end 4. Accounting policies and procedures reviewed annually
15.	Parish Clerk's salary	Duty to ensure salary complies with contract and legal requirements	Breach of contract or employment law. Failure to make payments due to Inland Revenue as and when required	1/2	1. Clerk's salary to be fixed to meet NALC pay structure as minimum 2. Tax and National Insurance requirements to be checked annually for Inland Revenue compliance 3. Contract terms to be reviewed annually
16.	Asset register	Duty to keep accurate record of Council's assets	Assets lost or recorded at undervalue. Inadequate insurance cover	1/1	Asset register reviewed annually.
17.	Bad debts	Duty to ensure money due to the parish is paid when due	Loss of income	1/1	Unpaid debts to be reported at each Council meeting and action to recover amount due agreed.
	<b>Insurance</b>				
18.	Insurance to provide cover against financial risks including loss of or damage to assets, loss of income, liabilities incurred by the Council and Councillors	Duty to protect assets and to guard against unplanned liabilities. General power to arrange insurance cover	Inadequate cover could lead to financial loss and legal claims against Council and/or Councillors.	2/2	1. Level and scope of insurance cover to be reviewed annually 2. insurers requirement to be reviewed on renewal of policy

	General				
19.	Code of Conduct	Duty to comply with adopted Code of Conduct	Reputational damage and risk of unlawful actions from breaches of Code	1/1	1. Register of interest reviewed at beginning of each meeting 2. Code made available to all Councillors and reviewed annually 3. Dispensations sought from the Monitoring Officer, as necessary.
20.	Website	Power to have website	Inaccurate or misleading information leading to reputational loss or legal liability.	1/1	Website maintained by Clerk who has sole editing rights
21.	Publication of information	General duty to keep parishioners informed of Council business and other relevant matters. Duty to comply with Freedom of Information requests	Failure to inform parishioners leading to reputational loss. Legal liability for failure to answer valid Freedom of Information requests	1/1	1. Minutes of meeting published on website 2. Publication of the village newsletter "Hernhill News" 3. Noticeboards maintained at locations throughout village 4. All Freedom of Information requests dealt with by Clerk
23	Parish Clerk	Duty to ensure Clerk properly trained and supported	Breach of employer obligations. Reliance on Clerk for compliance matters misplaced.	1/3	1. Annual appraisal by Chair 2. Training arranged when required 3. Membership of KALC to ensure early awareness of changes in local council governance
24.	Vision	Good governance obligation	Reputational loss if Council appears to respond to events only as they arise. Failure to ensure the future vitality of the parish	2/2	1. Preparation of Neighbourhood Plan to ensure coherent and supportive development 2. Strategic parish plan prepared and reviewed annually
25.	Stakeholder engagement	General duty to ensure good relationships with influencers and supporters outside the parish	Lack of positive engagement leading loss of influence over events affecting the parish	1/2	1. Borough Councillors invited to all meetings 2. Local MPs invited to contribute to 'Hernhill News' 3. Attendance at KALC events 4. Contacts maintained with adjoining parish councils 5. Attendance at external networking events when relevant
26.	GDPR	Obligation to comply with GDPR Regulations	Breach of Regulations leading penalties being imposed	1/1	1. Council licensed to hold personal data 2. All personal data held by Clerk in accordance with GDPR Regulations and used in accordance with licence held 3. Annual renewal of ICO annual fee