

GREAT HORKELESLEY PARISH COUNCIL **ANNUAL RISK ASSESSMENT 2019/20**

Approved on the 8 April 2020

Minute Ref: 11a

1. INTRODUCTION

Governance and Accountability for Local Councils a Practitioners' Guide (England) 2010 states that parish councils, are responsible for setting in place proper management arrangements which include arrangements for the management of risk. There are various ways of exercising this responsibility such as by setting out tables of various categories and subjects; and analysing these under a set of headings such as:

- The risks identified
- The likelihood of an event occurring
- The potential severity or impact if it does
- The arrangements in place to reduce likelihood or severity
- Action Plan where arrangements are not in place

Tabular approaches tend to be notational and although good for referring quickly to particular aspects they do not make for an easy read. Another option is to use a more readable narrative style which takes cognizance of the above headings as appropriate. This document is set out using the latter approach which is felt to be more fitting to the style of Great Horkelesley Parish Council and more user-friendly for the general public who may wish to study it. This approach is also commensurate with the relative risks that a small parish council may be exposed to.

2. IDENTIFIED AND ASSESSED RISKS

Risks have been identified below under the headings of: Legal Matters; Assets; Finance; Documents and Records; Elected Members; Staff and the Public. Consultation has taken place with elected members in order to assist in identifying all significant risks prior to placing this document on the agenda for approval.

a) Legal Matters

The Council must operate its systems and procedures and make decisions in accordance with the law. If it does not do so it could be called into question and its reputation could be damaged. Decisions could be overturned following judicial review. The latter is extremely unlikely; however, failure to act correctly may well damage the Council's reputation. There is an array of support mechanisms to help the Council to manage those risks: Guidance from the Clerk who in turn has sources to obtain advice such as the NALC; EALC; RCCE and the SLCC; an up to date written Constitution based upon model guidance. The council's insurance policy provides for legal expenses to be paid.

Risks have been further reduced by the updating the Council's procedures and documentation in respect of the Environmental Information Regulations 2004, Freedom Of Information Act 2000, and the General Data Protection Regulations 2018 thus helping To ensure that the Council is operating within the law and that its procedures are fit for purpose.

b) Assets

The Council's assets are listed in an Asset Register. The Assets are valued in total at £516,477.69, and the village hall at £607,530.00. There is a risk that these assets can be damaged in varying degrees or destroyed by vandalism, lack of maintenance or accident. An insurance policy is maintained in order to reimburse the council in any of those eventualities (subject to any policy excess clauses and cost benefit analysis for particular items). Prior to each insurance policy renewal a cross-check against the asset register is completed to ensure that all listed assets are appropriately insured. Inspection duties are shared between various councillors as set out in an approved document. Street lights are to be professionally surveyed for structural and electrical safety at the intervals recommended by Essex County Council. Any repair works necessary to assets on the highway are carried out by licensed operatives where appropriate following health and safety risk assessments. There are occasional security problems with regards to notice boards. The locks are simple and the old village hall notice board has no lock. The noticeboard at the new village hall has been updated and has four secure locks. The council has reviewed its notice board provision and the review encompassed security to make sure that unauthorised removal of statutory notices does not occur so that the council is not placed in a position of committing a technical breach of its duty.

c) Finance

There is a risk that the Council will run out of money due to inadequate budgeting or fraudulent acts. Balances at the end of February 2020 totalled £55,472.71. The chances of the total sum being withdrawn in one hit are low because of bank due diligence procedures. The Council operates under "proper practices" which are subject to internal and external audit and regular monitoring by an appointed Councillor. Cheques must be signed by two councillors authorised under a bank mandate. Theft would therefore require collusion or forgery but the sums involved are unlikely to make this worthwhile. Cheque books are kept secure. The Council has also agreed a comprehensive set of financial regulations based upon the model scheme which further help to control financial probity. The Council is insured against certain risks and in summary the likelihood and severity factors are low. With changes that have now taken place with regards to enabling parish councils to operate electronic banking procedures the Council will need to manage the impact of any changes to ensure that whilst efficiency improves; financial risks do not increase to an unacceptable level.

d) Documents and Records

The Council maintains paper and electronic records and the "Proper Officer" is responsible for the safekeeping of its minutes forever. Financial records must be kept under HMRC regulations for six years. All paper documents are at the Clerk's Home or the village hall. These are vulnerable in the event of fire but aside from the need to keep the minutes and financial records safe the impact would not be great other than the loss of historical records and the ability to provide evidence in a court of law (which is highly unlikely to be needed). As electronic records also exist for more recent records the potential severity is reduced further. The Council may need to produce records under the Environmental Information Regulations 2004 or Freedom of Information Act 2000 which would be hampered if all records were lost. There is also a need to comply with the General Data Protection Regulations 2018, of which there is a policy in place. However, procedures are in place to safeguard electronic records through an online back-up system but there is a need to review all records and remove those that do not need to be kept any longer and to remove historic records to the County Archivist and thus transfer the responsibility whilst reducing the risk of loss by using their specialised safe storage facilities. However, the County

Archivist has said they will not be used as a general file storage facility and are only prepared to take certain documents such as signed minutes and summary financial documents. General correspondence other than on highly controversial matters of public interest would not be stored by them. See also legal risks in “a)” above.

e) Elected Members

Of the present councillors four took up office following an uncontested election in May 2019, five councillors were co-opted. All elected councillors have served as councillors before. The council runs the new village hall, and has aspirations to run allotments and we now contract a village warden. The risks are that the council may not have the breadth of experience and critical mass of human resources needed to run new services and facilities. The severity of such risks is not felt to be high given the range of advisory services available that the council subscribes to including the Rural Community Council Essex, Village Halls Advisory Service, Essex Association of Local Councils and the National Association of Local Councils.

Under the new regulations, dispensations can be granted where the business of the Council is likely to be impeded. Currently few such interests have been declared on the register of interests at the time of taking up office and therefore this eventuality should be minimal. However, not all members have attended formal training and there may be knowledge gaps that would be beneficial to fill. A training item is now continually on the agenda each month with updates of available training courses sent to councillors on a regular basis.

Finally, there is always a risk that individual members could by their words or actions bring the council into disrepute. However, for these purposes the council has adopted the new code of conduct. The council has access to the Borough Council’s Monitoring Officer who keeps the council informed of such matters as do the National Association Local Councils, Essex Association of Local Councils and the Society of Local Council Clerks.

f) Staff

Currently the council has three part-time staff, one being the Parish Clerk the Caretaker/Cleaner and Booking Manager. The Parish Clerk is also identified under the Constitution as the “Proper Officer of the Council” and by resolution has been appointed as “Responsible Financial Officer” (RFO). The risks to the council are all those risks that employers face – discipline, grievances, health and safety, sickness absence etc. In view of the fact that the staffing level is low and the position is a responsible one the usual risks are lessened. Nonetheless, the council addresses any risks by following national terms and conditions for the most part. A contract of employment has been agreed which generally follows the model produced by the NALC and other exemplars of good practice.

With just one part-time parish clerk the council is at the risk of all the knowledge being in one place and may be vulnerable should the clerk be dismissed, resign or suffer long term ill-health or die in service. The risk for the council is medium to high. However, the council has previously operated for several months without a clerk and has elected members that have received some formal training in the duties of a parish clerk. Access to external advice is also available.

g) The Public

Great Horkesley Parish council serves a population of 2,476 people (2011 census) and there were 2,044 people listed on the last full update (1 December 2019) of the electoral roll. There are also untold numbers of visitors to the parish. The risks are that the council may lose touch with its electorate and service users and be unable to serve them effectively. There are also public liability risks in respect of the assets discussed in section "2 b)". The Council owns and runs the village hall and the Council's insurance has been amended to cover the ownership and management risks of the new village hall. The council maintains an annual review of its public liability insurance requirements. The council is covered by its public liability insurance when it organises things directly through a council committee such as a village show. However, the owner of any land or equipment used would need separate liability insurance as appropriate to the risk. The council would not be covered by its own insurance if it were acting as part of a joint committee and therefore the formalisation of organising committee arrangements need careful consideration at the time.

Whilst it is an oft repeated truism that "you cannot please all the people all the time" the council has mechanisms in place to engage with the community including representation at external organisations and having a public speaking procedure. Consultation and general information dissemination is also undertaken via the notice boards, web site, a face book page, and *The Village News* also via public meetings as required. The ways in which the public can contact the council are displayed on the notice boards, web site and in the village hall. The council now has a community face book page to update residents, which further improves Community Engagement.

3. SUMMARY OF ACTIONS IDENTIFIED

The analysis of risks above has identified the following action list to improve the Council's risk management arrangements:

- (i) Review document retention periods and security. (Clerk in consultation with Councillor)**
- (ii) Seek quotations for structural safety and electrical safety checking of Street lamps. (Clerk in consultation with Councillor)**
- (iii) Undertake an annual health and safety follow up risk assessment for the village hall.**
- (iv) Blank**

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