RISK REGISTER

HOVETON PARISH COUNCIL

Adopted: December 4th, 2023
Last reviewed: June 3rd, 2024

Methodology of Scoring

Risk management is aimed at reducing the ‘gross level’ of risk identified to a ‘net level’ of risk, in other words, the risk that remains after appropriate action is taken.

Gross Risk = The risk if no actions are in place

Net Risk = The remaining risk after a control procedure has been identified and carried out

Likelihood – This is the likelihood of the risks identified actually happening. This value can be reduced by adding control procedures until a level is achieved with a satisfactory Net Risk.

Severity – this is the effect of the Risk. The severity is a fixed value and is not influenced by control factors

Control procedure – these are the processes and procedures already in place to help minimise the likelihood of the risk occurring

Further action required – actions to further reduce the likelihood that a risk may occur. Further actions can be adopted as **control procedures** when in place and reviewed

Scoring should be carried out as follows:

Likelihood of occurrence – give a score of 1 to 5 (as shown on the bottom axis of the table)
Severity of impact - give a score of 1 to 5 (as shown on the left hand axis of the table)

These two scores are multiplied together to give the overall or ‘gross’ risk.

Score of 11 or more –	Major(11-20)/Extreme (Red)
Score of 5 to 10 -	Moderate risks (Yellow)
Score of 3 or 4 -	Minor risks (Blue)
Score 2 or below –	Insignificant risks (Green)

This Risk Assessment will be reviewed quarterly and presented to Council. The review will be undertaken by the Risk Champions and Clerk/RFO.

Risk Champions are:
Cllr Edwards
Cllr Walker

IMPACT		1 Remote	2 Unlikely	3 Possible	4 Probable	5 Highly Probable
Extreme / Catastrophic	5	**5**	**10**	**15**	**20**	**25**
Major	4	**4**	**8**	**12**	**16**	**20**
Moderate	3	**3**	**6**	**9**	**12**	**15**
Minor	2	**2**	**4**	**6**	**8**	**10**
Insignificant	1	**1**	**2**	**3**	**4**	**5**

LIKELIHOOD

It is not always practical or possible to reduce the risk to a Minor or Insignificant level. The purpose of the Risk Assessment is to recognise where risks are present and introduce measures to reduce these risks as far as possible. If a risk cannot be reduced to an acceptable level then the risk must be managed appropriately.

Risk area/risk identified	Potential Impact	Likelihood of occurrence (score)	Severity of impact (score)	Overall or 'gross' risk	Control procedure (in Place)	Remaining Risk	Further action required	Respons -ibility	Date of review
MANAGEMENT									
M1. The council lacks direction, strategy and forward planning	• the Council drifts with no clear objectives, priorities or plans • issues are addressed piecemeal with no strategic reference • financial management difficulties • loss of reputation	4	3	Major	• create a strategic plan which sets out the key aims, objectives and policies • create financial plans and budgets • use job plans and targets • monitor financial and operational performance	Moderate (3,3)	• Develop a strategic plan from existing project planning and tasks list	Clerk	Oct 2024
M2. Council body lacks relevant skills or commitment	• Council becomes moribund or fails to achieve its purpose • decisions are made bypassing the PC-Meeting • resentment or apathy amongst staff • poor decision making reflected in poor value for money on service delivery	4	3	Major	• review and agree skills required • draw up competence framework and job descriptions • implement Councillor training and induction	Moderate (3,3)	• Further Councillor training required. • More Councillors needed • Mentorship by existing councillors	Chair/ Clerk	Oct 2024
M3. Council body dominated by one or two individuals, or by connected individuals And/or lack of diversity	• council cannot operate effectively as strategic body • decisions made outside of PC- meetings • pursuit of personal agenda • culture of secrecy or deference • arbitrary over-riding of control mechanisms	3	3	Moderate	• agree mechanisms to manage potential conflicts of interest • review and agree recruitment and appointment processes in line with PC policies • agree procedural framework for meetings and recording decisions • ensure council is open/attractive to all groups within the parish	Moderate (2,3)	• More Councillors needed • Ensure council is open/attractive to all groups within the parish • Team Building activities	All	Oct 2024

M4. Councillors are benefiting from Council (eg financially)	• poor reputation, morale and ethos • adverse impact on overall control environment • conflicts of interest • Council unable to pursue its own interests and agenda • decisions may not be based on relevant considerations • impact on reputation private benefit	3	3	Moderate	• ensure legal authority for payment or benefit • implement terms and procedures to authorise/approve expenses and payments • agree procedures and methods to establish fair remuneration conducted separately from 'interested' party (remuneration committee/benchmarking exercise etc) • Standing Orders require declaration of interests at each Parish Council meeting by members to remind Councillors of their duty. • Register of Councillors interests	Minor (1,3)		All	
M5. Ineffective organisational structure	• lack of information flow and poor decision making procedures • remoteness from operational activities • uncertainty as to roles and duties • decisions made at inappropriate level or excessive bureaucracy	3	3	Moderate	• use organisation chart to create a clear understanding of roles and duties • delegation and monitoring should be consistent with good practice and constitutional or legal requirements • review structure and the need for constitutional change • weekly Digest communicating major points of interest	Minor (1,3)		All	
M6. Loss of key staff	• experience or skills lost • operational impact on key projects and priorities • loss of contact base and corporate knowledge	4	3	Major	• succession planning • document systems, plans and projects • implement training programmes • agree notice periods and handovers • review and agree recruitment processes	Moderate (3,3)	• have agreed process for loss of Clerk due to illness etc - ensure systems, documentation etc accessible • Regular use of Gdrive to back up all council business and issued documents.	Clerk	Oct 2024
M7. Reporting and Auditing	• Information • communication • Compliance	3	3	Moderate	• Reporting to Council meetings • Feedback from External Audits	Moderate (2,3)	• Action items listed in minutes and assigned responsibility to member or/and clerk	Clerk	Oct 2024

M8. Reporting to council meeting (accuracy, timeliness, relevance and legality)	• inadequate information resulting in poor quality decision making • failure of Councillors to fulfill their control functions • council becomes remote and ill informed	3	3	Moderate	• timely and accurate project reporting • timely and accurate financial reporting • assess and review projects and authorisation procedures • PC-meetings to be managed by Chairperson • Agenda and minutes to be provided according to relevant legal requirements • Agenda and minutes to be displayed according to legal requirements	Minor (1,3)		All	
M9. Role as Trustee of HVH	• Regulatory action against the Council • Council held accountable for HVH financial commitments • Potential personal accountability of councillors (members of Trustee)	4	5	Extreme	• See separate Risk Register, "HPC as Trustee of HVH"	Moderate (2,3)	• See separate Risk Register, "HPC as Trustee of HVH" e.g. increase capacity/ numbers on sub committee	All	Oct 2024
M10. Compliance with legislation and regulations appropriate to the activities, size and structure of the Council	• employee or consumer action for negligence • reputational risks • public/employers liability	3	3	Moderate	• identify key legal and regulatory requirements • allocate responsibility for key compliance procedures • put in place compliance monitoring and reporting • prepare for relevant audit visits • obtain compliance reports from regulators (where appropriate) - auditors and staff to consider and action at appropriate level • Maintain adequate insurance.	Minor (1,3)		Clerk	

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OPERATIONAL									
O1. Contract risk	• onerous terms and conditions • liabilities for non-performance • non-compliance with Council's objects • unplanned subsidy of public provision	3	3	Moderate	• create cost/project appraisal procedures • agree authorisation procedures • get professional advice on terms and conditions (where necessary) • put in place performance monitoring arrangements • consider insurable risks cover • Monitor contracts annually	Moderate (2,3)	• Council review of contract renewals • Request copy of liability insurance and store.	Clerk	Oct 2024
O2. Project or service development (e.g., oven ready projects)	• compatibility with objects, plans and priorities • funding and financial viability • project viability • skills availability	3	3	Moderate	• appraise project, budgeting and costing procedures • review authorisation procedures • review monitoring and reporting procedures • Where necessary set up independent working party to cross check project design	Minor (1,3)		Clerk	
O3. Suppliers, dependency, bargaining power	• dependency on key supplier • lack of supplier to meet key operational objectives • non-competitive pricing/quotes • insufficient buying power	2	2	Minor	• use competitive tendering for larger contracts • put in place procedures for obtaining quotations • monitor quality/timeliness of provision • Report to council meetings • Review annually or when contract required	Insignificant (1,2)		Clerk	
O4. Security of assets / Facilities	• loss or damage • theft of assets	4	3	Major	• review security arrangements • create asset register and inspection programme • agree facility management arrangements (PW) • have safe custody arrangements for title documents and land registration • relevant insurance cover • H&S risk management of facilities	Moderate (2,3)	• Consider security improvements • Set up notification[s] with Land Registry • Locate original documents and deeds and store	Clerk	Oct 2024
O5. HCC - Meeting Location	• Adequacy • Capacity • Health & Safety	2	2	Minor	• Review annually	Insignificant (1,2)	• Review when publishing meeting dates.	Clerk	Oct 2024

O6. Employment issues	• employment disputes • health and safety issues • claims for injury, stress, harassment, unfair dismissal • equal opportunity and diversity issues • adequacy of staff training • child protection issues • low morale	3	3	Moderate	• review recruitment processes • Performance reviews with staffing committee • appraisals and feedback procedures • implement job training and development • Complaints & Grievance Procedure in place • implement health and safety training and monitoring • be aware of employment law requirements • implement staff vetting and legal requirements (eg DBS checks)	Moderate (2,3)	• Agree reference and qualification checking procedures, job descriptions, contracts of employment, • Ensure relevant DBS checks in place • Ensure relevant policies are in place. • Agree a whistle-blowing policy	Clerk/ All	Feb 2024
O7. High staff turnover	• loss of experience or key technical skills • recruitment costs and lead time • training costs • operational impact on staff morale and service delivery	3	3	Moderate	• review interview and assessment processes • agree fair and open competition appointment for key posts • conduct 'exit' interviews • review rates of pay, training, working conditions, job satisfaction	Moderate (2,3)	• Staff satisfaction survey • Team Building Activities • Agree and Monitor job descriptions and performance appraisal and feedback systems	Staffing Committee/ Clerk as line manager/ All – Team	May 2024
O8. Volunteers	• lack of competences, training and support • poor service for parish • inadequate vetting and reference procedures • recruitment and dependency • lack of diversity	3	3	Moderate	• review and agree role, competencies • review and agree vetting procedures • review and agree training and supervision procedures • agree development and motivation initiatives	Moderate (2,3)	• Consider a volunteer co-ordinator for council volunteers • Where necessary carry out DBS checks • Volunteer appreciation e.g., get together.	Clerk/ All	May 2024
O9. Health, safety and environment	• Staff/volunteer/public injury • product or service liability • ability to operate (see Compliance risks) • Financial liability	4	5	Extreme	• Comply with law and regulation • Put in place monitoring and reporting procedures • H&S risk management for staff and volunteers	Major (3,5)	• Put in place monitoring and reporting procedures for accidents and injury. • H&S risk management (staff and volunteers) and training. • Create updated RA's for volunteers and staff	Clerk/ Risk Champions	Feb 2024
O10. Disaster recovery and planning	• computer system failures or loss of data • destruction of property, equipment, records through fire, flood or similar damage	4	5	Extreme	• agree IT recovery plan • implement data back-up procedures and security measures • review insurance cover • create disaster recovery plan including alternative accommodation	Moderate (2,5)	• Need to update complete IT/ data/ facilities emergency plans • Review data back-up procedures and security measures • Consider password safe to include chair/clerk	Clerk	Feb 2024
O11. Information technology	• systems fail to meet operational need • failure to innovate or update systems • lack of technical support • breach of data protection law	3	3	Moderate	• appraise system needs and options • appraise security and authorisation procedures • implement measures to secure and protect data • agree implementation and development procedures • use service and support contracts	Moderate (2,3)	• Need to review/ update refresh IT systems and data policies • Consider password safe to include chair/clerk	Clerk	February 2024

O12. Freedom of Information	• lack of awareness of procedures and policies • actions taken without proper authority • additional work and resources	4	3	Major	• FOI Policy in place • All FOI to be handled by the Clerk	Minor (1,3)			

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FINANCIAL									
F1. Budgetary control and financial reporting	• budget does not match key objectives and priorities • decisions made on inaccurate financial projections or reporting • decisions made based on unreliable costing data or income projections • inability to meet commitments or key objectives • poor credit control • poor cash flow and treasury management • ability to function as going concern • Annual Return	4	5	Extreme	• link budgets to business planning and objectives • monitor and report in a timely and accurate way • use proper costing procedures for product or service delivery • ensure adequate skills base to produce and interpret budgetary and financial reports • agree procedures to review and action budget/cash flow variances and monitor and control costs • Monthly review reserves and investments • Independent audit every 12 months • Review Finance Policy every 12 months	Moderate (2,3)	• Create a Long-term Financial Plan • Continue to provide financial training for councillors	RFO	Oct 2024
F2. Reserves policies	• lack of funds or liquidity to respond to new needs or requirements • inability to meet commitments or planned objectives • reputational risks if policy cannot be justified • Inadequate planning to support expected costs of maintaining/Renovating facilities	4	4	Major	• link reserves policy to business plans, activities and identified financial and operating risk • regularly review reserves policy and reserve levels	Major (3,4)	• Full review of Asset Management Plan	RFO	May 2024
F3. Cash flow sensitivities	• inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities • Non planned costs for maintenance of facilities	4	4	Major	• ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow • monitor arrangements and reporting	Moderate (2,4)	• Review reserving policy and reserve amounts once Asset Register is updated.	RFO	
F4. Dependency on income sources	• Adequacy of precept • Precept not received • Precept payment delayed • Grants • Donations	3	4	Major	• identify major dependencies • implement adequate reserves policy • consider diversification plans • develop precept based on budget review	Minor (1,4)		RFO	

F5. Borrowing	• interest rate movements • ability to meet repayment schedule • security given over assets • regulatory requirements	3	4	Major	• appraise future income streams to service the debt • appraise terms (rates available fixed, capped, variable etc) • appraise return on borrowing • use appropriate professional advice	Minor (1,4)		RFO	
F6. Insurance	• Adequacy • Cost • Compliance • Fidelity • Guarantee	4	4	Major	• Use appropriate professional advice • Use comparison sites • Review and agree annually • Report changes in circumstances promptly to insurer	Minor (1,4)		RFO	
F7. Pension commitments	• under-funded defined benefit scheme • impact on future cash flows • failure to meet due dates of payment • regulatory action or fines	3	3	Moderate	• use actuarial valuations • review pension scheme arrangements (eg money purchase schemes) • review procedures for admission to scheme and controls over pension administration • Review pension scheme arrangements upon new appointments	Moderate (2,3)	• Training for staffing committee	RFO/ Staffing committee	May 2024
F8. Fraud or error	• financial loss • reputational risk • loss of staff morale • regulatory action • impact on funding	3	4	Major	• review financial control procedures • segregate responsibilities • set authorisation limits • agree whistle-blowing anti-fraud policy • review security of assets • identify insurable risks	Minor (1,4)		All	
F9. Bank and Banking	• Inadequate checks • Bank mistakes • Loss • Charges	3	5	Major	• Online Banking • Dual Authorisation • Independent Audit annually • Monthly review of cash book and payments • Bank reconciliation	Moderate (1,5)		RFO	
F10. Cash	• Loss through theft or Dishonesty	3	2	Moderate	• No Petty cash used	Insignificant (1,2)		RFO	
F11. Taxation	• Re-claiming/charging VAT • penalties, interest and 'back duty' assessments • failure to utilise tax exemptions and reliefs	3	3	Moderate	• review PAYE compliance procedures • review VAT procedures • file timely tax returns • understand exemptions and reliefs available (direct tax and VAT) • take advice on employment status and contract terms and tax • implement budget and financial reporting identifying trading receipts, and tax recoveries	Minor (1,3)		RFO	
F12. Financial liability for injury or death of volunteers	• Impact on financial reserves • Risk to ability to carry out function	3	4	Major	• Ensure adequate Insurance is in place	Minor (1,4)		RFO	

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ASSETS AND FACILITIES									
A1. Operating Assets Notice Boards Street Furniture - Tables, benches SAM2 Signage	• Financial Risk • Loss or Damage • Risk/damage to third party(ies)/property • Obsolescence	4	3	Major	• Inspection plan in place • Maintenance plan in place as required • Annual review • Ensure valid MoU is in place with NNDC for SAM2	Moderate (3,3)	• Asset Management Plan for operational assets	Clerk	Feb 2024
A2. Fixed Assets • Granary Staithe • Pocket Park • Village Sign • Street Lights	• Health & Safety • Financial Risk • Obsolescence	3	4	Major	• Inspection plan in place • Report regarding repairs / maintenance to PC-Meeting by responsible volunteer. • Annual Review	Major (3,4)	• Asset Management Plan for fixed assets • Individual H&S risk assessments	Clerk/ BE	Feb 2024

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