Hereford City Council Management & Financial Risk Register

HEREFORD CITY COUNCIL
RISK MANAGEMENT SCHEDULE

Definition of Risk Management

Risk is the threat that an event of action will adversely affect an organisation's ability to achieve its objectives and to successfully execute it strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework for governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

This document has been produced to enable the City Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The City Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focused approach to managing risk, which:

- Identifies the key risks facing Council
- Identifies what risks may be
- Identifies the level of risk
- Evaluates the management and control of risk and records findings, reviews, assesses and revises procedures if and when required.

MANAGEMENT

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance.	M	All files are stored in the 'cloud' on a remote server. These files are backed up periodically by the Councils IT support company/finance officer. The files are accessible wherever there is an internet connection.	Review and update of Council IT policies required and check when back ups are scheduled with IT company.
	Loss of access to Town Hall – fire, flood, heating failure etc.	H	Town Hall needs significant conservation and repair; other offices have been offered by Herefordshire to accommodate HCC during these works, but the period of removal from the Town Hall is not confirmed and has no timescale at present.	All staff able to work remotely if required. Would have a detrimental impact on Civic Role of HCC.
Meeting Locations	Adequacy of venues	M	Most meetings are held in either the HCC Meeting room, which is within the secure office area or the Council Chamber. The premises and facilities are owned and managed by Herefordshire Council. HCC has a long-term lease for the rental of the offices, parlour & TIC which expires in 2037?	Keep Town Hall under view and maintain discussions with Herefordshire about the project and the implications for HCC.

	Health & Safety	H	Town Hall needs significant conservation and repair; other offices have been offered by Herefordshire to accommodate HCC during these works, but the period of removal from the Town Hall is not confirmed and has no timescale at present.	
Council Records	Loss through theft, fire or damage	L L	Papers less than 6 yrs old and identified by the Document Retention Policy are stored within the offices on open shelving or filing cabinets. Older records held are transferred to the County Archive in line with the Document Retention Policy and standard procedures.	Damage or theft is unlikely, so provision is adequate. Fire risk is managed through weekly testing and annual fire inspection with any concerns being rectified.
Council Records – Electronic	Loss through damage, fire, theft or corruption of computers	M	The Council's electronic records are stored in the cloud on a remote server, which is accessible by all HCC staff. All laptops are password protected. Full system back-ups of files and facilities are scheduled periodically by the IT support provider. Most laptops are removed by staff at the end of the day, 0and the offices are locked when not occupied.	Six monthly checks of integrity of stored electronic files. Check storage capacity of remote server and monitor to ensure sufficient capacity of available.
Data Protection including the Freedom of Information Act and Subject Access Requests	Policy provision	L	The Council is currently reviewing its data protection policy, which will be implemented and followed when approved. The Council is registered with the Information Commissioner and will be on the data protection register.	Monitor and report any impacts made under Data Protection Acts. Ensure annual renewal of registration is completed.

			Any requests under FOI or SAR are/have been dealt with within the statutory timeframes. The Council can request a fee if the work exceeds the statutory limit i.e. processing exceeds £350 or £600, however there is specific guidance on these charges from the Information Commissioner.	
Reputational or loss of Public Confidence	No business plan No clear aims and objectives	M	Clear planning of identified priorities and objectives for Council direction, need to develop this documentation Validation of Councils plans and objectives through public consultation. Alignment of budget to support Councils priorities and objectives.	Annual review and monitoring of Council aims, objectives and priorities to ensure that they remain focussed and relevant to the City.
Civic Ceremonies	Operational risk to civic ceremonies	M	Major's Officer developing a manual of operating methods for each event, which includes key functions and detailed administrative instructions. Ensure all events with a procession has the required risk assessments, insurance cover, road closures and route plans are shared with emergency services etc.	Monitor and review and ensure that additional staff members are also trained to support civic events.
FINANCE				
Subject	**Risk(s) Identified**	**H/M/L**	**Management/Control of Risk**	**Review/Assess/Revise**
Precept	Adequacy of precept	M	Sound budgeting to underlie annual precept. The Council received monthly budget update information which is minuted and approved. The Council meets during late Autumn to establish its priorities for the coming year and prepares a detailed budget projection.	New procedures are being implemented to monitor and manage the Council budget, which will provide assurance to Council.

			The precept and the approval of the budget are annual agenda items for the January meeting.	
Insurance	Adequacy Cost Compliance Fidelity Guarantee	M	The insurance arrangements and scope should be reviewed annually by Council. Employers Liability, Public Liability and Fidelity Guarantee are all statutory requirements.	Review provision and compliance annually.
Banking	Inadequate checks	M	Financial Regulations set out the requirements for banking, operation of the on-line banking system including direct debits, standing orders, credit cards and cheques. An Anti-Fraud and Corruption Policy have been approved by Council. Monthly the accounts are reconciled with a new procedure of two councillors undertaking an operational inspection of the accounts. These monthly checks will be reported and minuted at Full Council.	Review Financial Regulations as necessary. New process and procedure are being introduced and this with the introduction of the Anti-Fraud and Corruption Policy will further reduce the risk classification to L
Cash	Loss through theft and dishonesty	M	The Council keeps a limited petty cash float. All transactions are made by faster payments, BACS or cheque. The money taken by TIC is counted and stored in the safe, located in the Town Clerks office and banked on a fortnightly basis.	Existing procedures appear to be adequate but these need to be changed and frequency of banking increased to weekly which will reduce the risk classification to L
Financial controls and records	Inadequate checks	M	A new procedure of monthly reconciliation checks has been developed as internal controls to ensure compliance with Financial Regs. Two authorising councillors are required on internet or cheque payments.	New process and procedure are being introduced and this with the introduction of the Anti-Fraud and Corruption Policy will further reduce the risk classification to L

			Internal and external audits are conducted annually. All payments are clearly resolved and minuted at Finance Committee or Council meetings. Financial records are computer based and operated via a cloud-based systems, which are backed up on a regular basis.	
Clerk	Loss of qualified Clerk Fraud Actions undertaken Salary paid incorrectly	M L L L	A training budget is in place to enable training for CiLCA qualification and other training requirements. The requirement of Fidelity Guarantee insurance must be adhered to. Clerk should be provided with relevant training opportunities, reference books, access to assistance and legal advice as required. Internal auditor check	Included in budget projections when setting budget and precept. Required insurance element Purchase revised reference books and other publications as required. Monitor working conditions and hours.
Disruption to services	Staff illness or shortages	H L	Job descriptions in place which include an `any other duties as deemed necessary' clause to build flexibility Encourage staff with higher risk factors to obtain free vaccinations and support other staff to do the same.	Review of contracts required due to new employment legislation, this will reduce risk level to M
Election costs	Election being called outside of normal cycle	M	There are no measures which can be adopted to minimise the risk of having a contested election. A Designated Reserve is available to pay the costs incurred.	Included in the budget setting process and considered when setting precept.
VAT	Re-claiming/Charging	L	The Council has financial regulations which sets out the requirements.	Existing procedures and policies are adequate.

			The Council is VAT registered and charges VAT on some items sold through the TIC. The Council reclaims the VAT on a quarterly basis and has signed up to Making Tax Digital.	
Annual Return (AGAR)	Not submitted within specified time limits. Incomplete information submitted.	L	The Annual Return is completed and signed by the RFO and then also signed by the Chair of Council, the Internal Auditor completes their part of the AGAR and signs following the internal audit process. The AGAR is approved and signed during a Council Meeting and sent to the External Auditor within specified time limits.	Existing procedures and policies are adequate.
Best Value Accountability	Work awarded incorrectly. Overspend on services. Non-compliance with Transparency Code for Town and Parish Councils	L M L	As per the Council Financial Regulations and Procurement Policy three quotes are sought for all works or goods for Council and all Committees. Larger contracts for services would be a formal competitive tendering process, using the Government Procurement Portal or ESPO contract and mini tendering process to secure requirement. If a problem is encountered with an existing contract the Clerk would investigate the situation, check the tender/quotation or specification, research the problem and report to Council with recommendations if appropriate for a decision/resolution. The Transparency Code for Parish Councils requires the publication of the following information on the website: Minutes, agendas and papers of formal meetings; All items of expenditure above £500; End of year accounts; Annual governance statement;	Existing procedures and policies are adequate. Ensure compliance with relevant legislation, guidance and best practice with all

			Internal audit report; List of Councillor or member; Staff salaries above £50k (Scale band and range)	
ASSETS				
Subject	**Risk(s) Identified**	**H/M/L**	**Management/Control of Risk**	**Review/Assess/Revise**
City Treasures & Charters	Loss, theft or damage	M H	The City Treasures are stored in a secure location, in lockable cases and the rooms are also protected by an alarm system. CCTV camera's have also been installed. These items are covered by the insurance policy?	Existing procedures and policies are adequate. This needs to be checked and amended as some items would appear not to be included in the schedule, once this has been done the level will reduce to M.
Office Equipment	Loss or Damage	L	Office equipment is covered by insurance policy. Budget allocated to office equipment purchases.	Existing procedures and policies are adequate.
Noticeboards	Loss or Damage Risk/damage to third party/parties	M	The Council noticeboards are listed on the asset register and covered by the insurance policy.	Existing procedures and policies are adequate. Twice yearly inspection schedule needs to be introduced, once introduced will reduce level to L.
LIABILITY				
Subject	**Risk(s) Identified**	**H/M/L**	**Management/Control of Risk**	**Review/Assess/Revise**
Legal Powers	Illegal activity or payments Working parties/Task Groups taking decisions Town Council Committees	M M L	All activity and payments made within powers of the Town Council (not ultra vires) and are resolved by Council and clearly minuted. Ensure working parties/task groups are established with clear terms of reference. Ensure all Committees have clear terms of reference, and any delegated powers are defined.	New & existing procedures and policies are adequate. Monitoring monthly and undertake an annual review of all Terms of Reference and Delegated Authority.

Minutes/Agendas/Statutory Documents	Accuracy and legality of non-compliance with statutory requirements.	L	Minutes and Agendas are produced in the prescribed method and adhere to legal requirements; General Powers of Competence has been enacted. Minutes are approved and signed at the next meeting of Council or Committees etc. Minutes and Agendas are displayed according to legal requirements. Business conducted at Council meetings should be managed by Chair or Vice-Chair, if available.	Existing procedures and policies are adequate. Training completed to understand requirements. Members adhere to Code of Conduct & Nolan Principles.
Public Liability	Risk to third party, property or individuals	M	Insurance is in place. Risk Assessment of individual events is undertaken.	Existing procedures and policies are adequate.
Employer Liability	Non-compliance with employment law	M M M	Undertake training and seek advice from ACAS, HALC or SLCC as required. Changes to Employment Law will need to be considered and implemented within HR policies. Ensure Health & Safety Policy is followed, and all risk assessments are completed and reviewed, develop new risk assessments as areas identified.	Existing procedures and policies are adequate. Monitor and implement Staff adhere to H&S Policy and input into risk assessment process
Legal Liability	Legality of activities Proper and timely reporting via Minutes Proper document control Libel and Slander	M L H L:	Council's insurance covers risks attributed to actions by staff and councillors Council always receives and approves minutes at monthly meetings Retention of document policy, to be developed, inline with SLCC guidance will improve this aspect Insurance in place to cover Libel and Slander for Councillors and Clerk	Existing procedures and policies are adequate.
COUNCILLORS PROPREITY				
Subject	**Risk(s) Identified**	**H/M/L**	**Management/Control of Risk**	**Review/Assess/Revise**

Members Interests	Conflict of Interest Register of Members Interests	M L	Councillors have a duty to declare an interest at the start of all meetings and complete a dispensation form if required. Register of Members Interest's forms to be completed and reviewed on an annual basis and published on the website.	Existing procedures and policies are adequate. Members to take responsibility t update their register of interests
Adoption and adherence to the Code of Conduct	Councillors	L	Procedure for Members to agree and sign compliance with the Code of Conduct. New members made aware of the Code of Conduct and other policy documents. Training offered to new councillors and refresher training to be offered to all councillors. Civility & Respect Pledge adopted and approved by Council	Existing procedures are adequate. Members to take responsibility to comply with Code of Conduct