

Freshwater Parish Council Risk Management Policy

This policy was adopted by Freshwater Parish Council on 4th March 2025 at the Full Council meeting.

The policy will be reviewed annually.

This policy has been produced to enable the Freshwater Parish Council (hereafter known as The Council) to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise any risks faced by The Council. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured systematic and focussed approach to managing risk.

Definition of Risk Management

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

Risk Management System

The Council has a risk management system in place to help manage risk. The internal auditor may use this system to help identify what tests to carry out as part of the internal audit process. Councillors are ultimately responsible for risk management because risks threaten The Council's ability to achieve its objectives. The Clerk will ensure that Councillors should:

- Identify the key risks of The Council
- Identify the subject or areas to be reviewed
- Identify what the risk may be



- Identify the level of risk – high, medium or low (H M L)
- Evaluate the potential to The Council of one of these risks taking place
- Evaluate the management and control of the risk and record all findings
- Agree measures to avoid, reduce or control the risk or its consequences
- Review, assess and revise if required

There are common themes that are likely to occur for example:

- Finance – loss of income, banking, petty cash etc.
- Physical assets – buildings, equipment, IT equipment etc.
- Public liability and risk of injury in areas owned by The Council for example playgrounds, sports fields, recreation areas, etc.
- Compliance with legal requirements – agendas, minutes, etc.
- Councillor propriety – declarations of interest, gifts etc.

Classification of Risk

An assessment should be undertaken of the impact and likelihood of risks occurring with impact being scored:

Low, Medium or High.

There are three ways of mitigating or managing risk:

- Take our insurance
- Work with another party to reduce the risk
- Manage the risk yourself.



Freshwater Parish Council Risk Assessment

Subject	Risk(s) identified	Level of Risk High, Medium Low	Management/Control of Risk	Review/Assess/Revise
Business Continuity	The Council not being able to continue its business due to an unexpected or tragic circumstance.	L	<p>All files and recent records are kept in the office at the Parish Room, at the Memorial Hall.</p> <p>There is an automatic electronic back up system in place for all computer files.</p> <p>There are facilities for home working and rent of another venue of meetings should the building be uninhabitable due to structural/flooding issues for example.</p>	<p>Review when necessary. Ensure procedures below are undertaken.</p> <p>The Clerk makes regular back ups of files.</p> <p>Historical records have been logged and archived.</p> <p>All files and recent records are kept in the Parish Office.</p> <p>All ICT equipment is updated regularly, and the VPN allows staff to work from home and access all files.</p>
	Due to change in staff, records lost, information forgotten and loss of corporate historical knowledge.	M	The Clerk and the Chair hold hard copies of all current passwords for all staff and software systems.	<p>Security of computer system review.</p> <p>Office Manual</p>



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			The Clerk makes regular back up of data files. Historical records have been logged and archived.	When new passwords are created a hard copy of those passwords will be given to the Clerk and Chair of The Council. These passwords will be checked by the Clerk to ensure information is correct before being given to the Chair of the Council. All files and recent records are kept in the Parish office.
Clerk	Loss of the Clerk	M	Succession planning and training for Deputy Clerk and other staff to enable continuity. This is part of the training and development policy and training budget for staff.	Short term cover can be provided by Deputy Clerk and other staff. Ensure adequate training budget is included when setting annual budget and precept.
	Fraud	L	The requirements of the Fidelity Guarantee must be adhered to. Clerk should be provided with relevant training, reference books, access to assistance and legal and financial advice.	Include in annual insurance review. Membership of the SLCC, IWALC (including NALC) maintained.



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Staff	Salaries paid incorrectly	L	<p>Contracts and salaries have been reviewed in line with SLCC recommendations.</p> <p>Salaries administered by the RFO</p> <p>Clerk/RFO has responsibility for all statutory returns to HMRC. The RFO is supported by the Finance and Deputy Clerk in this.</p>	Use of HMRC software to ensure compliance.
	Staff unavailable due to sickness/holiday/resignation.	L	<p>A plan in place to ensure appropriate cover.</p> <p>An Office Manual is in place.</p>	Put a plan in place that details how The Council would manage the loss of key staff who cannot be covered, so the business of The Council can continue as usual.
Election Costs	Risk of election costs	M	Ring fence £5,000 for ongoing possible election costs.	Include in financial management.
Meeting Location	Adequacy	L	Meetings are held in the Council Chamber, at the Memorial Hall, Avenue Road, Freshwater, PO40 9UU. Unless due to government restrictions e.g. Covid, when we revert to Zoom meetings.	



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			If a larger meeting room is needed to accommodate more than 8 members of the public the Small Hall or Large Hall in the Memorial Hall can be booked by the Clerk.	
	Health and Safety	L	All risk assessments are checked, and the premises are fully compliant.	Annual inspection of premises to ensure that they comply with health and safety legislation. Annual Fire Risk Assessment conducted by MHALCo.
	Accessibility	M	The Council offices and Chamber are on the first floor of the building. This is accessible via a lift.	The lift is serviced annually. Consider the acquisition of an evacuation chair in case of fire or a lift malfunction.
	Staff safety	L	The door opening system has increased security for staff, plus negates staff going up and down stairs	The door system is serviced annually.
	Visitor safety	M	Annual health and safety assessments and risk assessments for events are carried out by the Clerk.	All assessments are reviewed annually by the Clerk who has the relevant training.



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Council Records	Loss through theft, fire, other damage including corruption of IT equipment.	L	<p>Papers, both current and archived will be kept in a locked metal cabinet at the Parish Office/Parish Archives.</p> <p>Paper records are stored in locked metal cabinets/cupboards and the Parish Office and Archive Room are locked when staff are not present.</p> <p>Recently agreed minutes are available on the website.</p> <p>All electronic files are backed up daily and stored on the Cloud. Anti-virus software and firewalls are in place. The security of the IT equipment and software is managed by PC Consultants.</p> <p>Some important files are also kept on a pen drive carried by the Clerk.</p>	Damage or theft is unlikely, so provisions is adequate.



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	Loss or damage of important documents including deeds, and leases.	L	<p>All documents are kept in a locked fireproof safe.</p> <p>All documents are scanned and placed in an electronic file and backed up.</p> <p>All documents are stored on a pen drive.</p>	Documents stored on a pen drive are checked annually to ensure the pen drive has not been corrupted and the pen drive is stored separately from other files.
Data Protection and Freedom of Information Act	Failure to adhere to the legal requirements (GDPR) and Data Protection Act	L	<p>All relevant data to be dealt with and stored by the Parish Office. The Clerk has undertaken relevant training and will give guidance where appropriate.</p> <p>The Council has a Publication Scheme in place and a Retention and Disposal Policy.</p>	<p>Review when necessary, and when legislation requires.</p> <p>Monitor and report any Freedom of Information requests.</p>
	Lack of appropriate policies	L	The Council has relevant policies in place for: GDPR Privacy Notices Publication Scheme Transparency Code Document Retention and Disposal	



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			CCTV Media Storage.	
Finance				
Financial Controls and Records	Inadequate checks	L	<p>Monthly bank reconciliation prepared by the Finance Officer, agreed by Full Council and minuted.</p> <p>Two Cllrs and Clerk/RFO check and sign off invoices monthly.</p> <p>Monthly expenditure presented to Full Council resolved and minuted.</p> <p>Annual internal and external audit.</p> <p>Two councillor signatures on checks and online banking.</p>	<p>Existing procedures adequate.</p> <p>Finance Officer and RFO to review accounts weekly and report to Full Council.</p> <p>Online banking – Councillors who are designated signatories access online banking with personal password. Two councillors must authorise before payment is released.</p>
Precept	Adequacy of precept. Precept is supported by other income sources which are	M/H	Sound budgeting to support precept. The Council receives details budgets in late Autumn.	Existing procedures to be reviewed annually.



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	uncertain on an ongoing basis.		<p>The precept is an agenda item at the January meeting.</p> <p>Budget monitoring is undertaken by the RFO and presented to The Council by the Clerk on a quarterly basis.</p>	
	Sound budgeting to underlie annual precept requests.	M	<p>Annual public consultation undertaken to determine priorities.</p> <p>Councillors and Clerk/RFO to prepare draft budget which reflects the consultation. The precept is derived directly from this process.</p> <p>Expenditure against budget reported to the Full Council quarterly.</p>	Budget and precept agreed by Full Council no later than the February meeting.
Banking	Inadequate checks	L	The Council has Financial Regulations which set out the requirements for banking electronic payments, cheques and reconciliation of accounts	Existing procedures adequate.



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			<p>All monthly payments will be run the first Wednesday of the months after the Full Council meeting on the Tuesday.</p> <p>All banking requirements handled by the RFO. The RFO can not authorise bank payments or sign cheques. Two Councillors authorise bank payments and set up their own passwords. Two Councillors sign cheques. All online payments require authorisation from two different signatories.</p> <p>Receipts and payments are prepared and presented monthly by the finance officer for approval by Full Council together with the bank reconciliation. Quarterly income list reported to The Council. Quarterly</p>	<p>Review Financial Regulations as necessary. The RFO to review existing banking services and number of accounts held.</p> <p>The deposit account holds the majority of The Council funds, Transfers to the current account are made to enable payments to be made monthly.</p>



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			actual/budgeted expenditure presented to The Council.	
Cash	Loss through theft/dishonesty or negligence.	L	The Council holds a petty cash float that is serviced by the Clerk's Team. Cash sales and receipts are passed to the Clerk's Team for checking. Petty Cash is reconciled monthly. The petty cash float is kept in a locked tin in a locked drawer.	The petty cash float will hold a minimum of £50.00 and a maximum of £100.00.
Credit Card	Inappropriate use through dishonesty.	L	There are appropriate checks and balances for the use of the card, being held by the Clerk with the Finance Officer recording the receipts in the Cash Book.	
Payroll	Incorrect payroll	L	Time sheets are completed monthly and authorised by the Clerk. All salaries are paid through an accredited payroll system and payments made by BACS which are authorised by two councillors	
HMRC payments	Incorrect HMRC Payments	L	HMRC payments calculated through the payroll system and record submitted electronically to	



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			HMRC. Payments are authorised by two councillors and paid by BACS	
Customs and Excise	Comply with Customs and Excise regulations	L	Use HMRC helpline when necessary. VAT payments and claims calculated by the Finance Officer. Internal and external auditor provide robust checks.	
Borrowing	Complying with Borrowing restrictions	L	Borrowing and payments are through the Public Works Loan Board with an agreement in place for twice yearly payments and interest rates.	
Election Costs	Risk of election costs	M	Budgeting has enabled election costs to be factored in so costs of £1000 are within the earmarked reserves. This is transparent in the accounting process.	If an election is called and this funding is required, then the following year's budget and precept will include these costs.
VAT	Reclaiming	L	The Council has financial procedures to reclaim VAT which is carried out by the Finance Officer	Existing procedures are adequate.



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Annual Governance and Accountability Return	Not completed and/or submitted within the timeframe	L	The AGAR is completed by the RFO and signed by the Chair and RFO and minuted before the deadline. The internal auditor is appointed annually by Full Council. The Return is submitted by the due date to the Government appointed external auditor, with dates diarised to ensure compliance.	Existing procedures are adequate
Insurance	Adequacy, cost, compliance, fidelity guarantee.	L	An annual review is undertaken of all insurance arrangements in place, including Employers and Public Liability.	Review provision, compliance and value for money annually.
Asset Register	Adequate for insurance and audit purposes.	M	Annual review of the value of parish assets is undertaken and reflected in the insurance cover.	
	Failure to keep Asset register updated will impact on AGAR compliance.	M	Reviewed on an annual basis.	
Legal liability	Legality of activities	M	Clerk to clarify legal position on proposals and seek advice if necessary. Maintain membership of NALC and SLCC. New councillors encouraged to undertake training with IWALC.	



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			Legal advice sought from NALC is circulated to Councillors.	
Legal Powers	Illegal activity or payments	L	All activity and payments made within the powers of the Parish Council (not ultra vires) and the Local Government Act 1972 Section 137 power to be recorded at time of use.	
Minutes/Agendas/Statutory Documents	Proper and timely reporting in the Minutes of decisions and resolutions. Accuracy and legality non-compliance with statutory requirements.	L	Agendas and Minutes are produced in the prescribed method and adhere to legal requirements. Minutes are approved and signed at the following meeting of the Council. Minutes and Agendas are displayed according to legal requirements. Meetings are managed by the Chair with support from the Clerk.	Members to adhere to the Code of Conduct. Minutes are not published until approved by the Parish Council
Proper document control	Loss of documents preventing the Council from carrying out its business.	L	Retention and Disposal of Documents Policy is in place and reviewed annually.	
Public Liability	Risk to third party property, or individuals.	M	Insurance is in place; open spaces are checked regularly and hazards when reported are investigated.	Remedial action is undertaken by the Facilities Officer.



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	Legal liability because of asset ownership, including MUGA, outdoor gym, play equipment, skatepark and other assets.	M	Insurance is in place. Weekly checks are undertaken by Council staff and reported to the Clerk. Annual inspections are undertaken by ROSPA and acted on by the Land Management and Assets Committee	
Employer Liability	Noncompliance with employment law	M	Undertake adequate training and seek advice from NALC. If needed purchase specific HR advice from an accredited organisation.	
	Comply with Inland Revenue Requirements	M	Regular advice from Inland Revenue Internal and External auditors carry out annual checks. In house payroll with contributions being paid monthly to HMRC	
	Proper document control	M	Leases and legal documents are kept in the Parish safe.	Other documents are kept within a locked filing cupboard in a locked office and disposed of if required following the Retention and Disposal Policy and in line with GDPR.
Councillors Propriety				
Members Interests				



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Conflict of Interest		M	Councillors have a duty to declare any interests at the start of the meeting, as stated on the Agenda of every meeting.	This is the responsibility of each Councillor.
Register of Members Interests		L	Members are reminded to update their Register of Interests Form annually and/or if a change occurs. Register of Interest Form completed by all Councillors at the commencement of their time in office.	Register of Interest Forms are provided by the Clerk to all Councillors and signed by the Councillor and Clerk.
Gifts and Hospitality		L	Gifts and hospitality Register is kept in the Clerk's Office	It is Members responsibility to update the Clerk who will enter their gifts and hospitality in the register.
	Bringing the Council into disrepute	M	Councillors receive and are regularly reminded of the Code of Conduct they have signed up to. Any breaches are reported to the Principal Authority Monitoring Officer for investigation.	Code of Conduct Training is offered to all Councillors.
Assets	Protection of physical assets	M	Building are insured and valuation reviewed annually.	



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			New assets are valued and added to insurance policy and playground inspection schedules.	
	<p>Safety and security of building etc.</p> <p>Memorial Hall Moa Place Toilets Gate Lane Toilets Old Ambulance Station Freshwater Library Boat Park</p>	M	<p>Buildings have smoke/fire alarms, which are serviced annually. The Memorial Hall is managed by MHALCo. The Parish Office within the Memorial Hall is locked by authorised staff on exit.</p> <p>List of authorised key holders for the Parish Office is maintained by the Clerk's Team.</p> <p>Buildings have approved locks, have security lighting and are covered by CCTV.</p> <p>Memorial Hall has regular maintenance checks. Parish Office contents are insured.</p>	Buildings and contents insurance replacement values are reviewed annually.

