

SOBERTON PARISH COUNCIL

RISK MANAGEMENT POLICY AND RISK REGISTER

Adopted: 15th March 2022

Next review date: Before March 2023

1. Risk Management

Risk is a threat that an event or action will adversely affect the Parish Council's ability to achieve its objectives, implement its strategies and provide its services. Risk Management is the process by which risks are identified, evaluated, addressed and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.¹ The Parish Council recognises that it has a responsibility to take all reasonable and practical measures to safeguard its employees, the people it works with and provides services for: and to protect the natural and built environments for which it is responsible.²

Risk Management is not simply about health and safety but applies to all aspects of the council's work³ and is an essential feature of good governance – a Parish Council which manages risk well is more likely to achieve its objectives.

Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. Some examples are:

2.

Strategic Risk – long term adverse impacts from poor decisions making or poor implementation. Risks damage to the reputation of the Council, loss of public confidence, and in a worse case scenario, Government intervention.

Compliance Risk – failure to comply with legislation, or laid-down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals an inability to enforce contracts.

Financial Risk – fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on Council reserves.

Operating Risk – failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims.

This document has been produced to enable the Parish Council to assess the risks that it faces to satisfy itself that it has taken adequate steps to minimise them. The Parish Council is aware that although some risks cannot be eliminated fully it has in place a strategy that provides a structured, systematic and focused approach to managing risk and including where necessary, the introduction of internal controls and/or the appropriate use of insurance cover. This strategy:

- Identifies the subject
- Identifies what the risk may be – identifying and understanding the hazards and risks facing the council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed.
- Identifies the level of risk – once risks have been identified they need to be systematically and accurately assessed using proven techniques.
- Evaluates the management and control of the risk and records findings - analysis should make full use of any available data on the potential frequency of events and their consequences.
- Reviews, assesses and revises procedures if required - if a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.

3. Options for control include:

Elimination – the circumstances from which the risk arises are removed so that the risk no longer exists.

Reduction – loss control measures are implemented to reduce the impact/likelihood of the risk occurring so that the council can continue to operate; or by setting up prevention techniques

Transfer – the financial impact is passed to others ie by revising contractual terms, by buying a service from a specialist external body or taking out insurance.

Sharing – the risk is shared with another party

4. **Insuring** – insure against some or all of the risk to mitigate financial impact.

Acceptance – documenting a conscious decision after assessment of areas where the council accepts or tolerates risk where the downside is containable with appropriate contingency plans or if the controls cannot be justified (for example because they would be disproportionate; and for unavoidable risks ie terrorism

5. Roles and Responsibilities

The roles and responsibilities set out below are designed to ensure that risk is managed effectively.

Councillors – risk management is seen as a key part of councillors’ stewardship role and there is an expectation that councillors will lead and monitor the approach adopted to include:

- approval of the Risk Management Strategy
- analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed
- assessment of risks whilst setting the precept, including any bids for resources to tackle specific issues.

Parish Clerk – will be responsible for overseeing the implementation of the detail of the Risk Management Strategy. The Parish Clerk will:

- provide advice as to the legality of policy and service delivery choices
- update the council and sections on the implications of new or revised legislation
- assist in handling any litigation claims
- advise on any health and safety implications of the chosen or proposed arrangements for service delivery

Responsible Financial Officer – as RFO the Parish Clerk will also:

- advise on the council’s insurance requirements
- assess the financial implications of strategic policy options
- provide assistance and advice on budgetary planning and control

The Risk Management Strategy should be reviewed on a regular basis as part of the council’s continuing review of its policy documents, Standing Orders and Financial Regulations.

6. Due to Covid -19 the Parish Council asks anyone using the Council’s facilities to produce their own Risk Assessment. For example: use of the pavilion – the football club have been asked at different stages of Covid to produce a Risk Assessment to protect their players.

In accordance with the Freedom of Information Act 2000 this document will be available for inspection by application to the Clerk.

7. Risk Register

The risk register enables the Parish Council to assess the risks that it faces and confirm that it has taken appropriate steps to manage those risks. The council has broken the risks into five areas:

1. Finance
2. Liabilities
3. Governance and Management
4. Assets
5. Accidents

The risks are identified, assessed and recorded on the following risk register and will be reviewed by the council not less than annually.

¹ Governance and Accountability for smaller Authorities in England (March 2019)

² Audit Commission, Worth the Risk – Improving Risk Management in Local Government (2001)

³ There is a requirement under the relevant Accounts and Audit (England) Regulations 2011 (s1 2011/817) to establish and maintain a systematic strategy, framework and process for managing risk and putting in place adequate internal controls.

RISK ASSESSMENT SCHEDULE

Subject	Risk Identified	Risk Assessment	Management /Control of Risk	Review/Assess/Revise
1. FINANCE				
Precept	Request not submitted	Low	Full Parish Council minute Showing complete precept	Annually by Full Council
	Accuracy of precept submitted	Low	The budget is monitored on a quarterly basis by the Clerk (RFO)	Annually
	Not paid by the District Council	Low	Checked and reported to Full PC. Reserves held	Biannually
Reserves – General	Inadequate to cover possible expenditure	Low	Considered when budget set and at Finance meetings. RFO opinion also considered	Annually

Reserves – Allocated	Inadequate to cover possible expenditure	Low	Considered at budget and end of year. Opinion of RFO also considered	Annually
Financial Records	Inadequate records	Low	The council has Financial Regulations which set out requirements	Existing procedure is adequate
	Financial irregularities	Low	The council has Financial Regulations which set out requirements	Review Financial Regulations annually
Banking	Inadequate checks	Low	The council has Financial Regulations which set out requirements for banking, cheques and the reconciliation of accounts in a simple framework	Existing procedures are adequate
	Bank Errors	Low	If the bank does make an error when processing payments and receipts these are found when the bank account is reconciled on a quarterly basis, any error is	Review Financial Regulations annually and the bank signatory list when necessary especially after the AGM and an election.

			immediately reported to the bank and corrected by them	
	Internet Banking	Low	The Chairman holds a sealed envelope which contains any passwords and pin numbers	Existing procedure is adequate
	Loss Through Theft or Dishonesty	Low	Fidelity Guarantee Insurance held	Review Insurance Cover Annually
Reporting and Auditing	Lack of Information/Communication	Low	At each meeting details of income and expenditure are reported to the Council for their approval	Existing procedure is adequate
Members Allowances	Incorrect Payment	Low	Recognised rates applied. Payments are checked by the Internal Auditor	Existing procedure is adequate
Salaries and Associated Costs	Incorrect Payment Breach of Employment Laws	Low	Salary calculations are undertaken by an external agency –	Existing payment system is adequate

			payments are checked by the internal auditor	
Election Costs	Risk of Election Cost Risk of election to fill a casual vacancy	L/M	Risk Higher in Election Year. Estimated costs for contested/uncontested election to be obtained when an election is due. There are no measures which can be taken to minimise the risk of having a contested election as this is part of the democratic process. Budget allows for unplanned election costs If not adequate costs would be met from general reserves	Existing procedures adequate. Consideration of increase in budget to allow contingency
Debts	Incorrect Invoicing	L	Accounts schedule circulated to Councillor prior to council meeting to allow Councillors to query any invoice. The schedule is approved at the Council Meeting	Existing procedures adequate. Review annually in Financial Regulations

Awarding Contracts/Accountability	Work awarded incorrectly/overspend on services	L	The Council has financial regulations that set out the requirements for awarding contracts which made by the full council	Existing procedure adequate
Legal Powers	Illegal Activity or Payments	L	All activity and payments made within the powers of the Parish Council to be resolved and clearly minuted	Existing procedures adequate
VAT	Reclaiming	L	The Council has financial regulations which set out the requirements. Vat is recovered twice a year	Existing procedures adequate. Reviewed annually
Annual Governance and Accountability Return	Not submitted within the time limit	L	The Agar is completed and signed by the Internal Auditor/the RFO and the Council before submission to the external auditor within the time limit. The Clerk/RFO together with the internal auditor	Existing procedures adequate

			prepares the timetable for submission. The accounts are open to public examination each year as required by the Accounting and Audit Regulations	
2. LIABILITIES				
Public Liability	Risk to Third Party individuals or property	L	Insurance is in place which is a Statutory Requirement Risk assessment for any individual event undertaken	Existing procedures adequate. Insurance Policy reviewed annually.
Employer Liability	Non-compliance with Employment Law	L	Insurance is in place which is a Statutory Requirement On-going training for Staffing Committee to ensure are aware of up-to-date legislation.	Existing procedures adequate. Insurance Policy reviewed annually

Fidelity Guarantees	Financial loss as a result of fraud/dishonesty of employees	L	Insurance is in place Statutory Requirement	Review provision and compliance annually
Legal Liability	Ensuring activities are within legal powers	M	Clerk to clarify Legal position and seek advice if necessary	Legal Advice is sought as required. Cllrs misinterpretations of advice could be an issue. Councillors should attend Councillor training every four years as in our Standing Orders
3. GOVERNANCE AND MANAGEMENT				
Business Continuity	Council not being able to continue its business due to unexpected or tragic circumstance	L	All files and recent records are kept by the Clerk. The Council have a secure online system for backing up files as they are created or changed. In the event of the Clerk being indisposed the Vice Chairman will provide administrative support until a Locum Clerk is employed	Review annually

Meeting Location	Adequate Health and Safety	L	<p>Meetings are held both in Soberton Village Hall and Rookesbury Hall. All premises and facilities are considered to be satisfactory from a health and safety, accessibility and comfort aspect for Councillors, the Clerk and any public who attend.</p> <p>Health and Safety notices and risk assessments for each premise is provided by the appropriate Hall Committee.</p>	<p>Existing procedures adequate</p> <p>Review Risk Assessment Annually</p>
Minutes/Agendas/Statutory Documents	Accuracy and legality Non-compliance with statutory requirements	L	<p>Minutes and agendas are produced in the prescribed method and adhere to legal requirements</p> <p>Minutes are approved and signed at the next meeting unless there is a</p>	Existing procedures adequate

			<p>resolution made to defer approval until the following meeting</p> <p>Agendas and minutes are displayed according to legal requirements.</p> <p>Business at the Council meetings should be managed by the Chairman according to Standing Orders</p>	<p>Existing procedures adequate</p> <p>Members to adhere to Code of Conduct and Standing Orders. Standing Orders reviewed annually</p>
Lack of Forward Planning and Budgetary Controls	Lack of direction and prioritisation; insufficient funds to cover expenditure	L	Three-year plan and operational budget	Review quarterly
Poor Reporting to Council	Council becomes ill-informed due to poor quality decision making	L	<p>Accurate financial reporting</p> <p>Clear instructions to the clerk</p> <p>Matters raised at meetings</p>	Existing procedures adequate
Failure to respond to electors' wish to right of inspection	Loss of reputation and confidence	L	<p>Operating protocols set by Government (Freedom of Information Act 2011)</p> <p>(Transparency Act 2015)</p>	Existing procedures adequate

<p>Failure to ensure that the Council complies with law especially:</p> <p>Health and Safety Equal Opportunities Data Protection Human Rights Disability Discrimination Employment Law Racial Discrimination</p>	<p>Fines and Penalties from regulation bodies</p> <p>Loss of reputation</p>	L	<p>Clear policies and procedures</p> <p>Regular Review of Law</p> <p>Training</p>	<p>Existing procedures adequate</p> <p>To be reviewed annually</p> <p>Regular training for both members and staff</p>
<p>Council Lacks Relevant Skills and Commitment</p>	<p>Council fails to achieve its purpose</p> <p>Decision making bypasses the Council</p> <p>Poor value for precept money</p>	L	<p>Training for Councillors</p> <p>Review attendance at meetings</p>	<p>Councillor Training for all new Councillors and then every four years.</p>
<p>Councillors Benefiting from being a Councillor</p>	<p>Affect Reputation</p> <p>Conflict of Interest</p>	L	<p>Clear Standing Orders</p> <p>Councillors Code of Conduct</p> <p>Code of Conduct 2007</p> <p>No. 1159 adopted May 2007</p>	<p>Existing Procedures adequate</p>

Cyber Security	Loss of sensitive information Loss of funds Disruption to services Loss of confidence in PC	L	Purchase Anti-virus software Full firewalls in place Encryption on hard drives to prevent access if computer is stolen	Existing procedures adequate
Loss of Records	May affect services provided. Inability to carry out functions Loss of irreplaceable historic records	L	Copies of important documentation issued to Councillors. Regular Backups undertaken	Existing procedures adequate
4. ASSETS				
Street Furniture	Damaged bins, notice boards and benches etc.	L	Included on an Asset Register which is updated annually for insurance purposes. Assets are checked regularly by PC	Asset Register is reviewed annually. Existing procedures adequate
Pavilion	Damage to building through vandalism	L	Included on insurance policy Checked regularly by the Clerk	If persistent acts of vandalism occur consider CCTV

Memorials	Damage Risk or damage to a third-party individual	M	Quarterly inspections. Insurance and sums insured checked annually. Asset register updated annually	Existing Procedures adequate
Children's Play Equipment	Injury particularly to children through lack of maintenance	M	Play equipment inspected and maintained regularly	Existing Procedures adequate
Defibrillators	Damage Batteries/Pads fail Code to open box fails	L	Defibrillators checked monthly by the Clerk	Existing Procedures adequate
5. ACCIDENTS				
Accident	All outside areas under the responsibility of the Council including recreation ground and children's play area	M	Individual Risk Assessments reviewed annually by the appropriate Committees. ROSPA Inspection of playground Actions Committee verify annually that risk assessments have been reviewed and all inspections carried out	Existing Procedures adequate

Pavilion	Accidents to staff/public	M	First Aid Box in Pavilion Risk Assessment and regular inspections carried out	Existing Procedures adequate