

WOOD DALLING PARISH COUNCIL

Risk Management Policy

What is Risk Management

Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety and business continuity but applies to all aspects of the Council's work.

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. Examples below:

- Strategic Risk - long-term adverse impacts from poor decision-making or poor implementation. Risks of damage to the reputation of the Council, loss of public confidence, in a worst 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, inability to enforce contracts.
- Financial Risks – fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigations, objections to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on Council reserves.
- Operational Risk – failure to deliver services effectively, malfunctioning equipment, hazards to service users, the public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery process.

Risk Control

Risk control is the process of taking action to minimize the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level.

The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimized in the future. It will also inform on the nature and extent of insurance cover and the balance to be breached between self-insurance or external protection.

Roles and Responsibilities

The Clerk – will act as the Proper Officer on Risk Management and be responsible for overseeing the implementation of the details of the Risk Management Policy. The Clerk will:

- Provide advice as to the legality of policy and service delivery choices.
- Provide advice on the implications for service areas of the Council's corporate aims and objectives.
- Update the Council and sections on the implications of new or revised legislation.
- Assist in handling any litigation claims.
- Provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work related illness or injury.
- Advise on any Health and Safety at Work Act 1974 implications of the chosen or proposed arrangements for service delivery.
- Report progress to Full Council.
- Ensure that Risk Management is an integral part of all annual reviews of the Constitution and setting of aims and objectives, including recommendations for risk control highlighted in reports presented to relevant Committees.

Responsible Finance Officer will:

- Assess and implement the Council's insurance requirements.
- Assess the financial implications of strategic policy options.
- Provide assistance and advice on budgetary planning and control.
- Ensure that the financial systems approved by Full Council allow effective budgetary control.

Role of Internal Audit - Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to Full Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit will work with External Audit to achieve the aim of assisting the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

Internal Audit reports, and any recommendations contained within, will help to shape the Annual Statement of Internal Control and assist the program of External Audit.

Training - Risk Management training will be provided to Elected Members, and officers through a variety of methods. The aim will be to ensure that both Elected Members and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

Conclusion

The adoption of a sound risk management approach should achieve many benefits for Wood Dalling Parish Council. It will assist in demonstrating that the Council is committed to continuous service improvement and effective corporate governance.

Freedom of Information

In accordance with the Freedom of Information Act 2000, this document will be posted on Wood Dalling Parish Council's website as part of the Constitution and copies of this document, the Risk Management Policy and the Risk Register will be available for inspection.

Adopted: March 2024
For review: March 2025

1. Introduction

Risks

This is the high-level risk assessment for Wood Dalling Parish Council to highlight key areas or risk where the Council has full or partial responsibility for managing or mitigating risk. The Council's aim is to manage risks in a thoughtful and realistic manner. Since resources such as staff or Councillor's time are limited, it is necessary to set priorities.

Methodology

Risks have been assessed using a standard approach. This risk assessment deals with strategic risks only. Each risk is scored using the table below assesses the potential consequences with the likelihood of the risk happening. The resulting risk score then indicates the appropriate level of priority to be given to any mitigation against that risk.

Risk score matrix:

		Consequences		
		Minor 3	Moderate 2	Major 1
Likelihood	Probable A	Amber	Red	Red
	Possible B	Green	Amber	Red
	Improbable C	Green	Green	Amber

Key	Green Low Risk	Amber Medium Risk	Red High Risk
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2. Risk Assessment

Item	Risks	Consequences	Likelihood	Risk Score before controls H / M / L	Existing Internal Control	Further mitigation required	Consequences	Likelihood	Risk Score after controls H / M / L	Action by Whom	Action by when
PHYSICAL ASSETS											
1.	Loss or damage to assets owned by the council	1	B	HIGH	<ul style="list-style-type: none"> Insurance cover in place Inventory and asset register reviewed and up to date. 	<ul style="list-style-type: none"> Regular inspection 	1	C	MEDIUM	Parish Clerk and Councillors	On-going
2.	Loss, damage or theft – office contents	2	B	MEDIUM	<ul style="list-style-type: none"> Insurance cover in place Inventory and asset register reviewed and up to date. CCTV installed 	<ul style="list-style-type: none"> Parish Clerk 	2	C	LOW	Parish Clerk	On-going
3.	Loss, damage or theft – street furniture	1	B	HIGH	<ul style="list-style-type: none"> Insurance cover in place Inventory and asset register reviewed and up to date. Regular inspections of all street furniture in place 	<ul style="list-style-type: none"> Regular inspection 	2	B	MEDIUM	Councillors	On-going
PUBLIC LIABILITY											
4.	Public safety in areas under the Council's responsibility	1	B	HIGH	<ul style="list-style-type: none"> Regular inspections undertaken 		2	B	MEDIUM	Councillors	On-going

5.	Events	2	A	HIGH	<ul style="list-style-type: none"> Individual risk assessment undertaken for each event. Details of large event submitted to BDC for approval 	<ul style="list-style-type: none"> Insurance in place 	2	B	MEDIUM	Parish Clerk and Councillors	On-going
FINANCIAL											
6.	Misappropriation of funds – theft, fraud or errors	1	B	HIGH	<ul style="list-style-type: none"> Internal audit by independent auditor at least once a year Internal controls and process reviewed. 2 cheque signatories for payments, approved at a council meeting. BACS payments authorised and approved by two councillor signatories 		1	C	MEDIUM	Parish Clerk/RFO and two councillor signatories	On-going
7.	Investment loss	1	B	HIGH	<ul style="list-style-type: none"> Barclays account used as main bank. 	<ul style="list-style-type: none"> Consider other providers to further speak risk and maximise yields 	1	C	MEDIUM	Parish Clerk/RFO Full Council	On-going
8.	Insufficient or excessive funds	1	B	HIGH	<ul style="list-style-type: none"> Comprehensive budget setting process in place Review of reserves undertaken at least annually by Ful Council 		2	B	LOW	Parish Clerk/RFO Full Council	On-going

9.	Inaccurate accounts	2	A	HIGH	<ul style="list-style-type: none"> Monthly accounts prepared 		2	B	LOW	Parish Clerk/RFO	On-going
10.	Banking arrangements	2	B	MEDIUM	<ul style="list-style-type: none"> Parish Clerk/RFO reconcile balance monthly. BACS payment set up 	<ul style="list-style-type: none"> Scrutineer in place 	3	C	LOW	Parish Clerk/RFO Full Council	On-going
11.	Payroll	2	B	MEDIUM	<ul style="list-style-type: none"> HMRC Basic Tools payroll system used. Payments now made by BACS approved at a council meeting and two councillor signatories to approve payments 		3	C	LOW	Parish Clerk/RFO, and two councillor signatories	On-going
12.	Petty Cash	3	C	LOW	<ul style="list-style-type: none"> No Petty Cash used 		3	C	LOW	None	None
13.	Bad debts	2	B	MEDIUM	<ul style="list-style-type: none"> Write off bad debts approved by Full Council 		3	B	MEDIUM	Parish Clerk/RFO Full Council	On-going
REGULATORY / STATUTORY / CONTRACTUAL											
14.	Breach of Health and Safety Responsibility	1	A	HIGH	<ul style="list-style-type: none"> Public and Employers Liability insurance in place Health & Safety Policy in place and regularly reviewed. 	Review of system, policies and processes undertaken	1	B	MEDIUM	Parish Clerk Councillors	On-going
15.	Breach of employment legislation	2	A	HIGH	<ul style="list-style-type: none"> Review of policies and procedures undertaken Policies updated regularly as required 		2	B	MEDIUM	Parish Clerk and Full Council	On-going
16.	Breach of contractual obligations	1	A	HIGH	<ul style="list-style-type: none"> Contract prepared in conjunction with legal advisors. 		1	C	MEDIUM	Parish Clerk and Full Council	On-going

					<ul style="list-style-type: none"> The Clerk has signed employment contract. 						
17.	Breach of regulations governing Local Council	2	A	HIGH	<ul style="list-style-type: none"> Qualified Clerk in post NALC membership for advice Declarations of interest documented. Achieved Quality Council status 		2	B	MEDIUM	Parish Clerk	On-going
18.	Adoption and adherence to Standing Orders	2	B	MEDIUM	<ul style="list-style-type: none"> Each Member provided with a copy of the Standing Orders 				LOW	Parish Clerk and all members	On-going
19.	Failure to adhere	2	B		<ul style="list-style-type: none"> Each Member provided with a copy of Financial Regulations 				LOW	Parish Clerk/RFO and all members	On-going
20.	Adoption and adherence to Code of Conduct	2	B	MEDIUM	<ul style="list-style-type: none"> Each Member provided with a copy of the Code of Conduct Training offered to all Councillors. Disclosable Pecuniary Interest published on Council website 	<ul style="list-style-type: none"> Review of all DPI forms being undertaken 	2	C	LOW	Parish Clerk and all members	May 2027
21.	Coronavirus	1	A	HIGH	<ul style="list-style-type: none"> No face-to-face meeting to take place. Self-isolate as required. 	In place in the event	1	C	MEDIUM	All	Government guidance followed as appropriate

					<ul style="list-style-type: none"> Government guidance followed as appropriate 						
SERVICES											
22.	Memorials – injury to member of the public	2	B	MEDIUM	<ul style="list-style-type: none"> Regular memorial safety testing now in place Recommendation to undertake remedial works for high priority memorials 	<ul style="list-style-type: none"> Improved record keeping being considered 	2	C	LOW	Parish Clerk	On going
23.	Coronavirus – restrictions	2	A	HIGH	<ul style="list-style-type: none"> Regular updates received from NALC Restrictions followed and facilities closed if appropriate. Signage / stencils informing members of the public of restrictions. 	In place in the event			MEDIUM	All	Government guidance followed as appropriate.
OFFICE & ADMINISTRATION											
24.	Computer Failure	1	B	MEDIUM	<ul style="list-style-type: none"> Regular backups taken Cloud storage of documents implemented. Virus protection updated regularly. Cyber insurance cover in place. 	<ul style="list-style-type: none"> 	1	C	MEDIUM	Parihs Clerk/RFO	On-going

Reviewed: March 2024
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