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 **NETTLEHAM PARISH COUNCIL**

 **RISK MANAGEMENT POLICY**

1. **Background**

Risk is the threat that an event or action will adversely affect the council’s reputation or ability to successfully deliver its activities or objectives.

Risk management is the process by which risks are identified, assessed and controlled and is a requirement within the council’s Financial Regulations that the Parish Council put arrangements in place for the management of risk.

The risk register assists the Parish Council to assess the risks it faces and to identify adequate steps to be taken to minimise them.

1. **Policy Purpose**

To provide a framework to assist the Council to:

* Identify activity areas to be reviewed;
* Identify what the risks may exist or arise;
* Evaluate the management and control of the risks and record the findings;
* Review, assess and revise the risks regularly and as required;
* Be able to demonstrate to residents and other stakeholders that the Council’s risk management framework approach to risk is appropriate and proportionate
1. **Implementation**

The Council recognises that it is the responsibility of all Councillors and employees to have regard for risk in carrying out their duties. Risk management will be reviewed regularly by the RFO and included as a standing item on the agenda, for consideration by the Parish Council

1. **Areas for Review**
	1. Areas the Parish Council will assess and review regularly fall within the following

headings, using the council’s risk assessment template:

* Governance
* Financial management;
* Insurance;
* Assets - including: buildings, land, equipment, inspection and maintenance;
* Staffing;
* Health and safety

**4.2** ***Governance***

* Council policies and procedures are developed and reviewed regularly;
* Recruitment of Councillors to vacancies, as soon as possible;
* Councillors have access to relevant training to enable them to understand their responsibilities
* Councillors work within the code of conduct and understand the mechanisms for disclosure of interests.

**4.3** ***Financial Management***

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| The Council will review at yearly intervals the following:-* Financial Regulations, monitoring the administration of the Council’s financial affairs.
* Its responsibility for appointing, by resolution, a Responsible Financial Officer who is responsible for all the financial administration.
* Its responsibility for appointing, by resolution, an independent Internal Auditor to carry out the intermediate checks of the Council’s financial procedures and accounting records.
* The preparation of quarterly accounts to ensure that that there are sufficient balances in reserves and in line with the budget to meet the forthcoming invoices and costs for the remainder of the year and future projects.
* Its budgetary requirements in order to agree a precept figure to be submitted to the District Council for the next financial year.
* Contracts for yearly services i.e. mowing, alarm maintenance etc.
* Level of reserves.
* Banking arrangements.
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| ***4.4 Insurance*** The Council will review at yearly intervals the following:* The requirement for its RFO to ensure adequate insurance of all the Council’s risks.
* The insurance cover of all the Council’s properties ensuring it is adequate in the current financial climate.
* Any necessary changes, amendments or any new requirements to be reported to the insurers throughout the year.
* Comparisons with the cover/policies offered by other companies to ensure best value.
* Any claims against the insurance cover whenever necessary.
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| ***4.5 Building/Land Inspections and Maintenance*** The Council will review and inspect at regular intervals the following:* The condition of the internal and external fabric of the buildings in its care.
* The heating and lighting provided and emergency lighting on a monthly basis.
* The condition of equipment provided for employees’ use.
* Arrangements for an annual professional inspection of all the portable appliances and every 6 years a full electrical inspection.
* Any renewals and replacements under future projects.
* The state of the car parking areas for repairs etc.
* All the public furniture and public spaces under the Parish Council jurisdiction.
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|  The Council will arrange the following:* A full monthly inspection of all the play equipment and safety surfaces and a quick check on a weekly basis for any emergency repairs.
* An annual professional independent inspection of all the play equipment and to follow up and carry out the necessary repairs and adjustments recommended in the inspector’s report.
* At the Property Committee Budget meeting a review of the play area with a view to replacing any old or worn equipment or purchasing new additional items.
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| **4.6** | ***Staffing***The Council will review when changes occur but at least on an annual basis the following:* Terms and conditions of employment.
* Salaries.
* Staff training requirements.
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| **4.7** | ***Health and Safety***The Council will review the following:* On an annual basis the Council’s Health and Safety Policy, which highlights the safety of all its employees and the use of all Council facilities.
* On an annual basis all premises for compliance with all food hygiene and other regulations.
* Annual inspections of:

- Emergency lighting, - Legionella (e.g. water storage & showers)- fire extinguishers & alarms;- Gas Safe for gas appliances;* All trees and hedging belonging to the Council for safety purposes on a regular basis but at least annually.
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1. **Review**

This policy will be reviewed annually, or earlier as changes or legislation arise.

**NETTLEHAM PARISH COUNCIL RISK MANAGEMENT ASSESSMENT**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **LIKELIHOOD** | Highly probable76–99% | 4 |  | **TREAT** - Take action to reduce risk exposure & introduce measures |  | **TERMINATE -** Stop activity generating the risk |
| Probable51%-75% | 3 |  |  |  |  |
| Possible26%-50% | 2 |  |  |  |  |
| Unlikely1%-25% | 1 | **TOLERATE** -Risk acceptable |  |  | **TRANSFER** –Usually via insurance or other arrangements |
|  | **1** | **2** | **3** | **4** |
| Minor | Moderate | **Serious** | **Major** |
| **IMPACT** |

The above can assist as a visual tool in the assessment of risk

**Key:** Green risks – considered reasonably acceptable. It is unlikely that further additional measures are required to

control these risks

 Amber risks - reasonably acceptable, however, further additional measures may be needed to treat and reduce exposure

 of the risk. Amber risks should be monitored regularly and reported periodically to council

 Red risks - these are not acceptable to the council and immediate action is required to bring the risk down to a lower

 category. The Chairman and council must be advised of any red risk areas and action planned to control

 the risk. Any action taken must be in accordance with the council’s Standing Orders and Financial

 Regulations.

 **RISK MANAGEMENT ASSESSMENT TEMPLATE FORM (Clerk = combined Clerk/RFO role)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **POTENTIAL RISK** | **Impact** | **Likelihood** | **Risk rating** | **Controls to minimise risk** | **Additional controls required/In place**  | **Timescales** | **Responsible For** |
| **GOVERNANCE** |  |  |  |  |  |  |  |
| Breach or absence of up to date Standing Orders | 1 | 1 |  | S.O. – annual reviewAll Councillors have access to a copyInduction/training for new Cllrs.  | Refreshers/ updates for Cllrs | Ongoing | ClerkChair |
| Lack of awareness of changes in legislation & good practice | 2 | 1 |  | Attendance at trainingGood Cllr guide for all CllrsReports & papers from Clerk | All new Cllrs to attend trainingRegular updates via County Assoc website, newsletter | Ongoing | Clerk |
| Working within powers & duties | 2 | 1 |  | Clerk attends regular training & holds CilCA qualification and maintains CPD as a PSLCC. LALC updates | Councillors to attend regular training | Ongoing | Clerk Chair |
| Lack of commitment to policies & procedures | 2 | 1 |  | Reference to legislation/policy in agenda items & in reports | Annual updates –agreed by NPC | Ongoing | Clerk/RFOChair |
| Councillors fail to declare interests | 2 | 2 |  | Cllrs sign declaration of interests (DOI)DOI included on every agenda | Periodic refresher/ information for Cllrs | Ongoing | Clerk Chair |
| Libel or slander claims received | 2 | 1 |  | Insurance in place | Annual review of insurance – RFO arranges with broker annual | Ongoing | RFO |
| Poor relationships with District council & other parishes | 2 | 1 |  | District Cllrs invited to meetingsLiaison with other Clerks & with D.C. teams – elections/member services / planning. | Chairman has regular contact with District Cllrs & other Parish Chairs. Joint working/ sharing of knowledge in place | Ongoing | ClerkChair |
| Lack of effective lines of communication with parish residents | 2 | 2 |  | Regular articles in Nettleham Matters, updates on website & Facebook.  | Key information posted on 3 x notices: meetings, audit, contact details  | Ongoing | Clerk |
|  | **Impact** | **Likelihood** | **Risk rating** | **Controls to minimise risk** | **Additional controls required/In place** | **Timescales** | **Responsible For** |
| **FINANCIAL MANAGEMENT** |  |  |  |  |  |  |  |
| Precept inadequate | 2 | 1 |  | Robust review and development of budget | Monthly monitoring of income & expenditure at PC meetings | Ongoing | RFOChair |
| Incomplete or inaccurate financial records | 2 | 1 |  | Financial monitoring software in place – cash books, sales ledger. Petty cash monthly balancing. Cash received procedure in place | Monthly reconciliation – payments & sales ledger & bank statementsOngoing review of procedures.Internal audit in place. | Ongoing | RFOA/C’sAsst |
| Breach of Financial Regulations | 2 | 1 |  | Financial Regulations (FR) reviewed annually. Councillor have copy of FR’s. Clerk ensures expenditure within FR  | Councillors to attend training& reference to governance & accountability guidance (audit)Clerk attends financial training | Annual | All |
| Council overspend on budget |  |  |  | Income & expenditure monitored closed by CL/RFO | Income & expenditure report to PC meeting monthly | Ongoing | RFO |
| Incorrect VAT claim or non-compliance | 2 | 1 |  | RFO scrutinises all invoices to maximise reclaim | Accounts Asst. posts invoices & claim – then signed off RFO | Ongoing | RFO |
| Banking errors /charges | 1 | 1 |  | Bank reconciliation – monthlyBank balances checked | Monitor fees chargedTel transfer of funds in place | Ongoing | RFO |
| Insufficient signatories | 2 | 1 |  | ~~All~~ Councillors to be signed up as signatories | Ensure bank signatory information updated | As arise | RFO |
| Loss of interest | 2 | 2 |  | Review interest rates & providers regularly | Investigate options for higher yield investments. Develop Investment policy | Dec 19 | RFOChair |
| Loss or theft of cash | 1 | 1 |  | Fidelity insurance in place | Cash locked in safe /banked timely | Ongoing | RFO |
| Loss or theft of assets | 2 | 1 |  | Keep assets secureAsset register to council annually for review | Ensure asset register kept up to date. Ensure insurance cover sufficient | May 20 | RFO |
| Grant funding – loss of or not used correctly | 3 | 2 |  | Monitoring of project & claim milestones. Robust monitoring of grant expenditure  | Bill Bailey’s - Use of project plan to keep on track. Update residents with progress report using range of methods | Oct 19 | Clerk & RFO |
|  | **Impact** | **Likelihood** | **Risk rating** | **Controls to minimise risk** | **Additional controls required/In place** | **Timescales** | **Responsible For** |
| Payments made without prior approval and adequate control | 2 | 1 |  | Payments made in line with F.R & approved in council meetings, recorded in minutes2 signatories required  | Payments made, reported to Council monthly (retrospectively) | Ongoing | RFO |
| Items purchased without proper tendering procedures | 2 | 1 |  | Procedures in line with F.R.s. Estimates/quotations procedure in place. Testing for competitiveness & VFM | Purchase Order system in place & reconciliation against invoice received for payment | Ongoing | RFO |
| Failure to maximise Income | 2 | 1 |  | Sales invoices monitored & statements & tel contact made to debtors | Identify potential funding opportunities & update council. | Ongoing | Clerk A/C Asst |
| Salaries paid incorrectly & not in accordance with F. Regs & incorrect deductions collected & paid to HMRC & pension providers | 1 | 1 |  | Use large external payroll contractors. Monthly salary calculation report checked by Clerk before authorisation to make payments | Monthly reports & payments to HMRC & pension providers reconciled against bank statement entries  | Ongoing | RFO |
| Late submission or failure to prepare & submit year end accounts to external auditors within timescales | 3 | 1 |  | Assistance received with year end close down procedures on financial system by RBS.Annual AGAR signed off by Parish Council (May/June) | Internal auditor visit to check year end & signs off annual accounting statement. Standing Orders sets out timetable | ½ yearly audits | RFO |
| **INSURANCE** |  |  |  |  |  |  |  |
| Council has inadequate cover  | 2 | 1 |  | Insurance cover reviewed annually including for:Public liability, Assets Employers liability, Fidelity, Libel/slander,Loss of revenue, property damage, personal accident, money & assault | Clerk meets annually with insurance broker representative to discuss cover.  | annual | RFO |
|  | **Impact** | **Likelihood** | **Risk rating** | **Controls to minimise risk** | **Additional controls required/In place** | **Timescales** | **Responsible For** |
| **BUILDINGS, LAND & ASSET INSPECTION & MAINTENANCE** |  |  |  |  |  |  |  |
| Lack of information on property, land & equipment |  |  |  | Electronic deed information available. Copies of licences/ agreements held in safe | Arrange a regular review of buildings & valuation of assets & equipment | Annual | Clerk |
| Failure to identify & value assets/land & equipment correctly | 2 | 2 |  | Assets recorded & updated. Asset register reviewed and updated regularly, at least annually in line with external audit requirements | Arrange professional re-valuation of land & buildings for asset register | 2020/21 | RFO |
| Major work identified to buildings/assets – not already identified or budgeted for | 2 | 1 |  | Regular inspection of facilities undertaken.  | Earmarked reserves in place for key assetsGeneral fund – healthy position | ongoing | F Mgr |
| **STAFFING** |  |  |  |  |  |  |  |
| Inadequate staffing capacity to fulfil the council’s roles & responsibilities | 2 | 1 |  | Annual appraisals in place & training requirement reviewed.Regular meetings between Clerk & Chairman – any issues arising and priorities | Ongoing review of staff structure e.g. clerk/RFO responsibilities for business continuity | Annual/ Ongoing | Clerk F.Mgr |
| Notice received or ill health of key staff e.g. Clerk | 3 | 1 |  | Job description/Person Spec in place to expedite recruitment process. 3 mth notice required by Clerk.  | Passwords available to Chair & Vice chair in emergency. | Ongoing | Chair HR Committee |
| Inadequate training |  |  |  | Council membership of LALC training scheme with extensive programme & updates | Regular attendance at training, CILCA & refreshers  | Ongoing | Clerk |
|  | **Impact** | **Likelihood** | **Risk rating** | **Controls to minimise risk** | **Additional controls required/In place** | **Timescales** | **Responsible For** |
| **HEALTH & SAFETY** |  |  |  |  |  |  |  |
| Lack of knowledge of H & S requirements | 2 | 1 |  | H & S policy in place – reviewed annually. Staff have copy of policy & training | Annual visit & inspections by H&S expert/contractor | Annual | Clerk F.MgrHR Committee |
| Lone working | 1 | 1 |  | Mobile APP provided for lone workers  | Risk assessments in place | ongoing | F.Mgr/ all staff |
| Failure to undertake H & S checks or compliance with legislation | 3 | 1 |  | Programme for undertaking weekly/monthly/annual checks in place - for buildings, play equipment.H & S Policy sets out requirementsStaff training – per policy | Checks/inspections recorded in logs e.g. fire alarm testing, legionella, play equipment.Checked also at annual H & S consultant visit.Gas safe, legionella, PAT testing – annual certification in place | ongoing | F.MgrClerk |