



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.

2 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

3 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 Parish Clerk and included as a standing item on the agenda, for consideration by the Parish Council

4. Areas for Review

4.1 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

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 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.

4.4 Insurance

The Council will review at yearly intervals the following:

- The requirement for its Clerk 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.

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.

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.

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.

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.

5 Review

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

NETTLEHAM PARISH COUNCIL RISK MANAGEMENT ASSESSMENT

LIKELIHOOD	Highly probable 76–99%	4		TREAT - Take action to reduce risk exposure & introduce measures		TERMINATE - Stop activity generating the risk
	Probable 51%-75%	3				
	Possible 26%-50%	2				
	Unlikely 1%-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 review All Councillors have a copy Induction/training for new Cllrs.	Refreshers/ updates for Cllrs	Ongoing	Clerk Chair
Lack of awareness of changes in legislation & good practice	2	1		Attendance at training Good Cllr guide for all Cllrs Reports & papers from Clerk	All new Cllrs to attend training Regular 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 – via P&Stds Panel & agreed by NPC	Ongoing	Clerk Chair
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 – Clerk meets with broker annual	Ongoing	Clerk
Poor relationships with District council & other parishes	2	1		District Cllrs invited to meetings Liaison 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	Clerk Chair
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	Clerk Chair
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 statements Ongoing review of procedures. Internal audit in place.	Ongoing	Clerk A/C's Asst
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	Clerk
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	Clerk
Banking errors /charges	1	1		Bank reconciliation – monthly Bank balances checked	Monitor fees charged Tel transfer of funds in place	Ongoing	Clerk
Insufficient signatories	2	1		All Councillors to be signed up as signatories	Ensure bank signatory information updated	As arise	Clerk
Loss of interest	2	2		Review interest rates & providers regularly	Investigate options for higher yield investments. Develop Investment policy	Dec 19	Clerk Chair
Loss or theft of cash	1	1		Fidelity insurance in place	Cash locked in safe /banked timely	Ongoing	Clerk
Loss or theft of assets	2	1		Keep assets secure Asset register to council annually for review	Ensure asset register kept up to date. Ensure insurance cover sufficient	May 20	Clerk
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

	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 minutes 2 signatories required	Payments made, reported to Council monthly (retrospectively)	Ongoing	Clerk
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	Clerk
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	Clerk
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	Clerk
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	Clerk

	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	Clerk
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 assets General 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. Review of staff structure	Sept 19	Chair P&SP
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.Mgr
Lone working	1	1		Mobile provided phones for lone workers	Risk assessments in place	ongoing	F.Mgr
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 requirements Staff 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.Mgr Clerk

