Ardleigh Parish Council Risk Management Policy

The Parish Council is responsible for putting in place arrangements for the management of risk. The Clerk with the Chair shall prepare, for approval by the council, risk management policy and assessment in respect of activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the Council at least annually.

When considering any new activity, the Clerk with the Chair shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

Major Threat

The greatest risk facing the council is not being able to deliver the activity or services expected by village residents.

This risk assessment is a general examination of working conditions, workplace activities and environmental factors that enable the Parish Council to identify potential risks inherent in the place or practices. Based on a recorded assessment the Council should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible, making sure that all employees are made aware of the results of the risk assessment.

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following main points have been followed and the register constructed accordingly.

- Identify the areas to be reviewed.

- Identify what any risks and document

- Assess the risk and document the findings

- Evaluate the management and control of the risk and record all findings.

- Review, assess and revise where required.

Risk control is the process which is taken to reduce the likelihood of a risk event occurring or mitigates the effects that risk should it occur. This risk control approach is to use the four T's Process:

1. <u>Transferring Risk</u> can be achieved through the use of various forms of insurance, or the payment to third parties who are prepared to take the risk on behalf of the organisation.

2. <u>Tolerating Risk</u> is where no action is taken to mitigate or reduce a risk. This may be because the cost of instituting risk reduction or mitigation activity is not cost-effective, or the risks of impact are at so low that they are deemed acceptable to the council.

3. <u>Treating Risk</u> is a method of controlling risk through actions that reduce the likelihood of the risk occurring or minimize its impact prior to its occurrence. Also, there are contingent measures that can be developed to reduce the impact of an event once it has occurred.

4. <u>Terminating Risk</u> is the simplest method of dealing with risk. It involves risk elimination. This is be done by altering an inherently risky process or practice to remove the risk. If an item presents a risk and can be changed or removed without it materially affecting the business, then removing the risk should be the first option considered; rather than attempting the treat, tolerate or transfer it.

Points and areas identified are dealt with in the tables that follow and assessed and recorded accordingly.

The aim of the council is to proactively address the risks where the likelihood of occurrence or resulting impact (or a combination of the two) is assessed as high.

Suggested changes are highlighted in red font.

Financial & General Management

Topic	Risk	Risk L'hood H/M/L	Impact H/M/L	Management action and control of risk	Review/Assess/Revise
Business Continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	H	Vice-Chair to step in as Clerk in emergency	Additional control proposed: Clerk to document all major processes.
Precept Determination	Not fit for purpose	L	M	Councillors receive monthly statements of how the accounts are performing against budget. Figures are displayed in monetary and percentage terms. Budgets are formed in December for the next year. In January the precept calculations are agreed and the budget finalised.	
Precept Income	Income not received from TDC or reduced from January's projected amounts	L	H	Maintain a Council Reserve value of one year's precept .	Achieved
Financial Records	Financial irregularities	L	M	The Councils Financial Regulation set out requirements for banking, cheques and reconciliation of accounts. The system of internal control includes an independent councillor checking bank statements with approved payments list each two months. And the checking person is rotated.	

	Bank errors or Bank Losses	L	M	The Clerk is not a bank signatory. Two Councillor signatures required per cheque. RFO checks bank statements monthly against approved expenditure for internet banking purposes. The system of internal control includes an independent councillor checking bank statements with approved payments list each quarter.	
	Internet banking fraud	L	M		
Cash	Loss through theft or dishonesty	L	M	Council requirements are set out in the Financial Regulations. Cash received is banked within 3 banking days if possible. No petty cash or float held.	
Reporting and Auditing	Insufficient financial information communicated to Council to enable financial decisions to be made.	L	M	Financial statement produced and examined by full council at every full parish council meeting. Statement includes expenditure against budget and a breakdown of receipts and payments.	
	Inadequate Audit and ineffective Governance	M	M	Council undertakes independent internal and external audits. Council considers the appropriateness of Standing Orders every year. Cilca training undertaken by Clerk	
Cost Overheads	Services not supplied but invoiced	L	M	Full council sees list of invoices for payment and only approves when goods supplied, or work completed	
Bad Debt	Incorrect invoicing	L	L	Clerk to check each invoice received and a list of invoices is prepared for council approval every month.	

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	Cheque payable incorrect	L		Two Councillors check each invoice against the cheque book and associated paperwork and initials related cheque stubs. Photocopies of all cheques received are taken and included in the accounts. The system of internal control includes an independent councillor checking bank statements with approved payments list each quarter.	
	Loss of stock	L	L	No stock held	
	Unpaid invoices	L	L	Unpaid Council invoices for adverts, bulletins or services are pursued and if practical payment obtained in advance.	
Payment Approval	Unauthorised payments made	L	H	All payment transactions made following the finance regulations process and are presented monthly at Council meeting for review in a due payments list and bank statement checks by a Councillor for independence	Procedures proven to be satisfactory over many years. Financial regulations check annually
Grants Received	Grants revenue missed	L	L	Specific projects are assessed for grant application potential. Grant applications are prepared by the RFO and approved by the council. The RFO checks progress and reports back when the application result is determined. Grants normally have conditions of use attached, these being checked and monitored by the Clerk.	The application process determines the procedure to be followed if at variance from the financial regulations.

Achieving Best Value	Insufficient quotes obtained for larger projects	L	M	The finance regulations dictate when multiple quotes are required. For significant spend projects contracts awarded through sealed bid tenders. Professional contractors may be used to project manage the contractor. Project specification produced for significant tenders as part of the tender process.	Existing procedures checked annually.
	Project overspend	M	M	Each significant project has a Council sponsor. Sponsor and Clerk (and/or Consultants) check the delivery against specification and reports shortfalls to the Council.	
Salaries and Expenses	Salaries incorrect, wrong hourly rate or hours worked	L	L	Salaries are assessed annually at a full council meeting. Figures incorporated in budget calculations. Hours worked checked and approved by Chair and reported to Council monthly.	Existing procedures checked annually.
	Fraud or incorrect claims	L	L	Expenses must be approved. Mileage claims paid on completion of claim form and receipts provided. Mileage claim rates match those recommended by NALC.	
	Wrong deductions of NI or Tax Unpaid Tax & NI contributions to Inland Revenue	L	L	Use of payroll programme package submitted to IR monthly.	
Employees	Loss of key staff or long-term illness, resignation or misconduct.	M	H	Clerk considered only critical staff member. Temporary replacements for sickness sought using EALC. Vacancy	The EALC advice and recommendation sought. Personnel subcommittee formed to interview

				roles filled using the recruitment process.	candidates. Recommended candidates approved by full Council
	Theft or fraud by Clerk or Councillors	L	H	Different councillor checks authorised council payments and bank statements each quarter. Claims and timesheets are checked by councillor. Insurance policy includes fidelity losses.	Additional control proposed:
	Claim against council from staff or volunteers	L	M	Employers liability insurance.	
	Insufficient competence of Clerk	L	H	Training sources and budget available. Clerk is required to undertake CILCA training.	
Election Costs	Risk of unexpected election	L	L	Council precepts for election costs in year of election. TDC monitoring office advice sought annually on potential election costs	
VAT	Not claiming back allowable VAT reclaim	L	M	Requirements set out in the financial regulations	Existing procedures checked annually
Annual Return	Failure to complete and submit in time limits	L	M	Annual Return is completed and submitted to the internal auditor for checking. Approved by Council and signed before sending to the External Auditor within time limit.	Existing procedures adequate
Legal Powers	Illegal activity or decision making	L	M	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, Clerk to ensure appropriate powers are available.	Decision made form part of the minutes

Agendas, Minutes & significant reports	Inaccurate minutes	L	M	Minutes and agenda are produced by the Clerk to defined standards and adhere to the legal requirements. Minutes are agreed as correct and signed at the next Council meeting. Minutes and agenda are published to the public according to the legal requirements.	Standing Orders followed and adequate.
Members Interests	Conflict of Interests and register of Interests	L	M	Standing Orders require declaration of interests at each Parish Council meeting by members. Register of Members Interest in the public domain and should be reviewed regularly by Councillors.	Existing procedures are adequate Members reminded to review their entry. Clerk responsible for ensuring new Councillors register their interests
Insurance	Insurance does not meet Council needs and is not competitive	L	M	Reviewed annually prior to policy renewal. All associated liability covered. Policy updated as new assets added. Employee cover adequate and current.	
Data Protection	Breach of GDPR rules	L	H	Council registered with the ICO	Undertake personal data audit Approve GDPR policy Data protection training to be undertaken by clerk
Freedom of Information	Breach of FOI legislation	L	M	FOI policy available in the public domain. FOI training to be undertaken by clerk	Policy reviewed annually
Records	Loss of records	M	H	Clerk to review information held and archive to the Essex Records Office for safe keeping Gmail for email - offsite Dropbox for electronic files - offsite	

Recreation & Play Areas, Open Spaces

Topic	Risk	Risk L'hood H/M/L	Impact H/M/L	Management/control of risk	Review/Assess/Revise
Assets	Loss or damage of asset	L	M	Annual review of assets undertaken.	
	Risk of damage or injury to third parties		H	Insurance covering value of assets and 3rd party injury	
Asset Management	Premises or other assets being closed or unavailable for use by the Council or community due to poor or dangerous condition	L	M	An asset register produced and reserves in place such that assets can be replaced at the end of their natural life	Asset management inventory and plan
Village Halls and Storage areas	Might be needed as Emergency Accommodation	L	M	Regular checks carried out by Councillors and staff. Insurance cover against fire and damage.	Instigate monthly water temperature tests (legionella risk management) Instigate COSHH storage and usage checks.
	Risk of Damage	M	M		
	Risk of Fire or Third party injury	L	M		
Children's Play Areas	Risk of Damage or injury to third parties.	L	M	Monthly visual inspections considered appropriate after risk assessment by Council (2018). Monthly visual inspections undertaken

Annual Rospa inspection undertaken | |

				Clerk required to undertake Routine Playground Inspection Training and Exam	
Maintenance	Risk of Damage or injury to third parties in Village Hall	L	M	Hall cleaner/clerk regularly inspect the hall for maintenance needs. Routine maintenance agreed as required. Budget sufficient to meet maintenance requirements.	Hall needs recorded through the Village Hall Report
		L	L	Insurance cover in place for village hall	
Notice Boards	Adequate provision and	L	L	All covered by insurance policy and inspected regularly	Plan to revise and replace old and worn notice boards.
Street Furniture	H&S checked	M	M	Street furniture covered by insurance policy and inspected regularly by Councillors. Maintenance needs recorded through the Environment Report Require water contractor to inspect the hanging baskets and tubs and report any concerns or damage to the parish clerk (include in floral contract).	
Overgrown Verges	Vehicle Collisions due to impaired road visibility	H	H	6 weekly verges cuts on the corner of Wick Lane / Dead Lane in verge cutting contract	Review at contract renewal
Meeting Location	Loss through fire or theft	L	L	PC, Committee and Sub Committee meetings held in the village hall. These buildings are assessed above.	
Council Records	Computer failure	M	H	Electronic records held on computer	

				Electronic files are stored in gmail and dropbox in order to provide resilience.	
Trees	Risk of 3rd party damage caused by trees	L	M	Annual inspection and register of trees. Trained Councillors and staff. Reporting procedure for the public. Purchase of expertise as required for problem areas.	Review regularly

Cemetery

Topic	Risk	Risk L'hood H/M/L	Impact H/M/L	Management/control of risk	Review/Assess/Revise
Safety	3rd party damage/injury in cemetery	M	H	Monthly visual checks – reported to full Council meetings for action.	
Loss of reputation	Double booking of cemetery burials	M	M	Chair has diary and ensures burial dates are deconflicted.	
Lawful Management	The processes used to manage the cemetery are not in accordance with the law	M	M	Chair and clerk required to undertake Cemetery Management training. Remain members of the Institute of Cemetery and Crematorium Management.	
Space	Closure of cemetery due to insufficient space	H	H	Seek further land for establishment of 2nd cemetery.	

Miscellaneous

Topic	Risk	Risk L'hood H/M/L	Impact H/M/L	Management/control of risk	Review/Assess/Revise
Poor reputation of the Council	The work of the Council is not understood leading to negative feedback and dissatisfaction with the way services are carried out	L	H	Regular use of communication channels including web site and newsletters to explain the Council's activities. Use of Social Media to include Facebook page.	Use of Social Media policy
Poor stakeholder relationships	Perceived or real breakdown in communications between tiers of local government or between the PC and other public providers	L	H	PC to understand the services provided by others and to discuss areas of joint interest periodically. The PC to respond to consultations to put its point of view across adequately. Attend TDALC Membership of EALC	Review regularly
Lack of vision	Opportunities to improve Ardleigh are not taken.	M	M	The PC to review its Village Design Statement stance on Planning proposals. Develop a Neighbourhood Plan so that a vision of the future is always available.	Develop a strategic plan

Training/Competence	Inadequate knowledge or specialist ability may lead to poor decisions	L	M	Adequate training budget available. Encourage training for Councillors and staff	