



Iden Parish Council Risk Management Procedure and Policy

Risk Management

Risk is the exposure to danger, harm or loss.

Risk management is essential as controlling risks allows the council to concentrate on working on behalf of the community rather than tackling problems.

Risk management is the process whereby the council methodically addresses the risks associated with what it does and the services which it provides. It identifies what can go wrong and takes proportionate steps to avoid this and successfully manage the consequences.

Risk management is not just about financial management and not all risks the Council faces, can be insured against. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and eventually, on the local community's Council Tax Bills.

Risk Management and Decision Making

The rapidly changing environment that the council operates within means that the council's risk management procedures need to be regularly reviewed, with any new council initiatives being risk assessed as part of discussions. The Council and Clerk are responsible for the continuous management of risk.

The Benefits of Risk Management

Risk management is regarded as an essential element of good governance and as an integral part of internal control. It provides the foundation for effective management throughout the Council. Managing risk in this way delivers many other benefits to the Council as set out below:

- The process provides a fully documented record of all major risks
- Recognition of emerging issues in an ongoing and organised manner before they reach unmanageable proportions
- Fewer opportunities will be missed
- There is also an enhanced ability to justify actions taken
- The Council's reputation is protected and enhanced

- The Council will receive fewer complaints and will have more satisfied residents
- Income can be maximised and expenditure reduced.

Summary of Risk Management Roles

Allocation promotes clarity and removes confusion.

The Role of Council Members

- To consider and approve the Risk Management Policy
- To consider and approve the risk assessments within it
- To consider and approve the action in response to risks
- To oversee the management of risk by the Clerk

The Role of the Clerk

- To carry out the Council's Risk Management
- To complete risk assessments for council activities
- To consider risk as part of everyday activities and provide input to the risk management process
- To advise the council of any new risks or the potential for any unforeseen risks as soon as possible upon discovery of a threat

The Role of Internal Audit

- To assist with the development and review of a Risk Management Policy
- To provide independent assurance on the way risks are managed.

Risk Management Policy Statement

It is the policy of the Council to adopt a risk process that supports better decision making through understanding of risks and any likely impact.

The policy seeks to confirm the commitment of the Council to a risk managed culture by ensuring that every member, employee and volunteer has regard for the management of risks in the decision making process and everyday situations. The Council is committed to the management of risks in order to:

- Achieve its aims and objectives
- Ensure compliance with statutory obligations
- Safeguard its employees, members, service users and all other persons to whom the Council has a duty of care
- Protect its assets, including property, equipment, other resources and reduce associated losses and claims
- Maintain effective control of public funds
- Minimise waste, fraud and poor value for money
- Support better project management
- Promote the reputation of the Council

This policy statement has the support of the Council, which recognises that achievement of these identified risk management objectives will benefit the whole community.

Area/Issue	Potential Risk Identified	Management/Control Measures in Place	Level (Medium,High)	Date Reviewed
Physical Assets				
General	Risk of damage and public safety	All assets owned by the Parish Council are annually reviewed and regularly maintained using a tendering process when required. All expenditure for repairs and maintenance is authorised and actioned under the council's procedures. Public liability cover is assessed, reviewed and adequate cover renewed annually.	M	
Recreation Ground				
Sports Pavilion	Risk of damage and public safety	Buildings insured. Value increased annually by RPI. Regular visual inspection of exterior which is recorded.	M	
Play area	Risk of damage and public safety	Annual independent safety inspection and scheduled maintenance following inspection. Regular visual inspection which is recorded. Damage and Public Liability Insurance cover.	M	
Emerging Iden Pavilion Trust		Documented arrangement and regular consideration/discussion of procedure	L	
Boundary and gates	Risk of damage and public safety	Comply with terms of conveyance. Regular maintenance and inspection and records kept. Property Damage Insurance and Public Liability Insurance cover in place.	L	
Other assets – benches and noticeboards	Risk of damage and public safety	Annual review and regular visual inspection which is recorded. Property Damage and Public Liability Insurance cover in place.	L	
Financial Matters				
Banking	Risk of loss of money	All money held in the bank in no-risk accounts. No account holds more than £85,000 and so is guaranteed by the government	L	

		guarantee. Double signatory cheque book. Monthly timely reporting and agreement of payments. Sight of invoices by signatories. Councillor to sign cash book against bank statement and review of bank reconciliation. Insurance cover.		
Petty Cash	Risk of loss of money	Refunds only made with presentation of receipt. Invoices are presented with payment authorisation. Double check of payment details. Funds recipient not permitted to sign payment authorisation/cheque. Money and Fidelity Insurance cover.	M	
Bank Information	Risk of consequential loss of income (Business Interruption)	Important documents backed up on portable hard drive stored in separate building to files/computer or at council storage facility. Online back up as well. The council does not hold Insurance for this.	M	
Financial controls and records	Overspending and bankruptcy, loss of money	Quarterly reconciliation, with expenditure to budget, prepared by the Clerk and reported to Council. Independent professional internal audit. Publication of accounting information on website as well as Annual Return (which is also posted in noticeboards).	L	
VAT	Breach of VAT regulations and fine	Use HMRC/vat helpline where necessary and internal auditor. Internal Auditor to verify. Membership of regional professional bodies (NALC, ESALC, SLCC) so Clerk/Councillor to attend financial update seminars and to seek advice. Vat claim completed annually.	L	
Sound budgeting to underlie annual precept and adequacy of precept	Overspending and bankruptcy, loss of money	Council to receive detailed budget in the late autumn. Precept to be derived from this. Final total Expenditure against budget reported to council once a year. Likely increases to outgoings and any likely additional outgoings are taken into account in considering any necessary increase to precept based on public benefit and value. Precept request submitted in January.	L	
Complying with loan requirements and borrowing requirements	Incurring unauthorised overdraft charges	Clerk Charge card payments are by direct debit. Review current account for sufficient funds for financial running of council.	L	

Achieving best value for any required work and contracts	Overspending	Any significant costs to be the subject of a tender process run by the clerk where at least two or three alternative quotes are sought and considered by the council before a decision is made which will be based on all relevant factors, not only cost.	L	
Public Liability				
Risk to third parties	Physical Damage or Loss of property, of third parties leading to claims and prosecution	Public and Product Liability insurance in place. Open spaces checked regularly. Written records kept. Good maintenance of land and facilities.	M	
Public Request for Information/Subject Access Requests/ Deletion of personal information upon request	Non-compliance with legislated requirements and fines.	Check Information Commissioner's office website and contact for advice regarding any data handling requirement before each request. The clerk is signed up to the free subscription to Information Commissioners Office newsletter. View Information Commissioners Office tutorials regularly. Annual registration with ICO as data controller. Councillors made aware of how to identify and pass on a potential subject access request. All personal data regularly reviewed and held securely. Privacy policy published and reviewed regularly and updated when required	L	
Employer Responsibilities				
Comply with employment law	Compensation claims and tribunal costs	Membership of regional professional bodies for advice and training. Employers Liability Insurance in place. Contracts for employees in place. Annual review of clerk's salary and documented.	M	
Comply with Pensions Regulator	Fine from The Pensions Regulator	Monthly consideration of payroll with regard to govt. threshold for auto-enrolment. Consult with Pensions Regulator. Contact details given to Pension Regulators to be kept up to date.	L	

Comply with HMRC requirements	Fine from HMRC	Membership of regional professional bodies for advice. Consult with HMRC.	L	
Health and Safety	Compensation claims and tribunal costs	Risk assessment of employees' job reviewed annually. Any required training to be provided. Annual inspection of the Clerk's home office. Insurance cover provided.	M	
Volunteers	Compensation claims and prosecution costs	Risk Assessment carried out and held on file and insurance in place.	L	
Business Continuity				
Risk of council not being able to do its business due to unexpected/tragic event	Fines due to non-compliance with legislation.	Business Continuity plan to be compiled and schedule of delegation to the Clerk in place.	L	
Administration				
Document control	Risk of data loss, destruction and security	Leases and legal documents in clerk's room/ council archives in the Keep. Copies in Clerk's Office. Ownership of Land and buildings is registered with Land Registry. Other data storage to comply with Data Protection Laws.	L	
Website Administration	Risk of data loss, destruction and security	The website hosts ensures the website presentation complies with accessibility requirements and an accessibility statement is visibility of the website. The website host also provides security for the website. Regular review of the posted information is reviewed for currency and relevance to comply with General Data Protection Regulation	L	
Financial Regulations, Standing Order and other policies	Fines for breach of Public Authorities requirement to publish information	Reviewed at least annually or when a new activity is under taken to ensure all requirements for publication are being published within data protection rules	L	
Asset register	Fines for breach of Public Authorities	Register completed and updated regularly and available on the website.	L	

	requirement to publish information			
Risk Assessment	Risk of data loss, destruction and security, Compensation claims, fines.	Annual Review and addition with any new activities	L	
Insurance Cover	Underinsurance resulting in high cost to the parish council	Review of covers acquired to make sure all high risks areas are covered	L	
Council Members				
Persons and actions	Slander and Libel	Code of conduct adopted. Insurance covered through Officers' Indemnity, Libel and Slander cover and when working as volunteers. Commitment to training which is offered regularly to all councillors	L	
Register of interest and gifts and hospitality	Breach of the Code of Conduct	Register of interest is present at each council meeting. Annual reminder to review these at the annual general meeting of the council. Declarations of interest are minuted. Register of Gifts and Hospitality kept and kept current.	L	
Data Protection				
General Statutory requirements	Fines, compensation claims and prosecution	Annual registration with ICO as data controller. Councillors made aware of how to identify and pass on a potential subject access request. All personal data regularly reviewed, backed up and held securely. Privacy policy published and reviewed regularly and updated when required	M	
Mistaken Release of personal data	Fines, compensation claims and prosecution	Take immediate measures to resolve and consult with Information Commissioner Office. Retrain staff and councillors.	M	

Data Breach (as in hacking)	Fines, compensation claims and prosecution	Use of passwords by clerk and councillors is insisted upon. Changing passwords regularly. Using different passwords rather than one for all. Internet security programs Consider cyber security training for councillors.	L	
Freedom of Information				
Publication scheme obligations and requests for information	Fines, compensation claims and prosecution	Regular review of Publication requirements. Policies on Privacy, Data Protection and Freedom of Information request are easily located on the website advising on how to make information requests. This information is also available at the bottom of the emails sent out by the Clerk.	M	