

STAMBRIDGE PARISH COUNCIL

RISK MANAGEMENT POLICY AND RISK ASSESSEMENT

**FEBRUARY 2019.
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RISK MANAGEMENT POLICY

STAMBRIDGE Parish Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. Any action that is felt necessary will be taken up by Stambridge Parish Council.

The Parish Councillors will review risks at a minimum half yearly, including any newly identified risks. The review will include identification of unacceptable levels of risk.

The approach to local council audit requires councils to provide an assessment of the ways in which business and other risks are managed in order that corporate governance arrangements are strengthened, stewardship of public funds are improved and assurance provided to taxpayers. The failure to manage risk effectively can be expensive in terms of litigation and reputation as well as an impediment to the achievement of the desired aims of the Council.

The Local Councils Governance and Accountability Guidance makes the following observations regarding risk management.

1. Risk management is not just about financial management; it is about setting objectives and achieving them in order to deliver high quality public services.
2. The new approach places emphasis on local councils strengthening their own corporate governance arrangements, improving the stewardship of public funds and providing assurances to taxpayers.

It goes on to state that members of the Parish Council are ultimately responsible for risk management because risk threatens the achievement of objectives. Stambridge Parish Council is well placed to undertake this as many features of risk management are already well established and are effectively part of the day to day operations undertaken on behalf of the Parish Council by the Chair and the Clerk. The Government's requirement for the preparation of a formal document outlining a Council's assessment of its risk management process does afford the opportunity to adapt, improve and document existing processes. Member's of the Parish Council should, therefore:

- a) Take steps to identify key risks facing the Council
- b) Evaluate the potential consequences to the Council if an event identified as a risk takes place
- c) Decided upon appropriate measures to avoid, reduce or control the risk or its consequences.

Risk Assessment is a systematic general examination of working conditions, workplace and business activities and environmental factors that will enable the Council to identify any and all potential risks inherent in the place or in its 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 members of the Stambridge Parish Council 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 plan was followed:

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and control of the risk and record all findings
- Review, assess and revise if required.

This risk assessment is clearly one of value-judgement. Risk identification can be daunting as it can lead to a long list of potential threats with no sense of their relative importance. There is no 'right' answer in terms of evaluation of potential risk as one Council's view may vary from another's depending upon particular circumstances in each Parish.

The tables below are put forward for consideration by the Parish Council and are aimed to be a starting point for the development of a system of risk management by Stambridge Parish Council

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H/M/L	Management / Control of Risk	Review / Assess / Revise
<u>Business Continuity</u>	Risk of the Parish Council not being able to continue its business due to an unexpected or tragic circumstance	High Impact/ Low Likelihood	There is a management plan presently for:- <u>Loss or long term incapacity of the Clerk</u> In the short term the management plan for the loss or long term incapacity of the Clerk is covered in the Standing Orders. In the medium term a substitute Clerk can be used from the EALC. In the long term, a new Clerk would need to be employed. <u>Full or majority replacement of the Council at an election or other such instances.</u> All vacant positions to be co-opted – procedures are covered in the rules and regulations	Existing procedure adequate. Existing procedure adequate.
<u>Precept</u>	Adequacy of precept Amount not received from Rochford District Council	Low Impact . Low Likelihood High Impact / Low Likelihood	To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full council. The Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be demanded from Rochford District Council. This figure is submitted by the clerk in writing to Rochford District Council. The Clerk informs the Council when the monies are received (by way of budget update report)	Existing procedure adequate. Existing procedure adequate.
<u>Financial Records</u>	Inadequate records Financial irregularities	High Impact / Low Likelihood	The Council has Financial Regulations which sets out the requirements. These financial regulations are reviewed annually for adequacy and improvements. The Council has appointed both internal and external auditors.	
<u>Bank and Banking</u>	Inadequate checks Bank mistakes Loss Charges Internet Banking	High Impact / Low Likelihood	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. The Parish Council has two bank accounts (current and reserve). Cheques require two signatures, there are three nominated Councillors as signatories (any two to sign).	Existing procedures adequate. Review the Financial Regulations and bank signature list annually, especially after an AGM and an election. Monitor the bank statements monthly. Existing procedures adequate.

<u>Cash</u>	Loss through theft or dishonesty	N/A	The Council has Financial Regulations which set out the requirements. There is no petty cash or float	Existing procedure adequate. Review the Financial Regulations annually.
<u>Security of Funds in Bank Accounts</u>	Loss of funds if a Bank goes bust	Low Risk High impact	The Governments FSA covers Parish Councils up to £80,000.	Spreading the Risk by having an account in a different Bank.
<u>Reporting and Auditing</u>	Information communication Compliance	Low Impact / Low Likelihood Medium Impact / Low Likelihood	A monitoring financial Statement is produced regularly at each Council meeting and is discussed and approved at the meeting. Two Councillors check the financial statement balances against the regular Bank Statements for accuracy. The Council has an appointed an internal auditor and external auditors who undertake annual audits.	Existing communication procedure overall adequate – The half yearly budget to identified actual balances against projected balances. Internal and External auditors appointed
<u>Direct costs</u> <u>Overhead expenses</u> <u>Debt</u>	Goods not supplied but billed Incorrect invoicing Cheque payable incorrect Unpaid invoices	Low Impact / Low Likelihood	The Council has Financial Regulations which sets out the requirements. At each Council meeting the list of invoices awaiting approval is distributed to Councillors and considered. Council approves the list of requests for payment Unpaid invoices to the Council are pursued and where possible, payment is obtained in advance	Existing procedure adequate. Review the Financial Regulations annually.
<u>Grants and support – payable</u>	Power to pay Authorisation of Council to pay	Medium Impact / Low Likelihood	All such expenditure to go through the required Council process of approval, Minuted and listed accordingly if a payment is made using the S137 power of expenditure	Existing procedure adequate. S137 rules stipulate £8.15 per voter.
<u>Grants – receivable</u>	Receipts of Grants	Low Impact / Low Likelihood	The Parish Council does not presently receive any <u>regular grants</u> . 'One off' grants would come with terms and conditions to be satisfied	Existing procedure adequate.
Best Value Accountability	Work awarded incorrectly Overspend on services QUOTATIONS FOR WORK SUPPLIED. Appropriateness of spend	High Impact / Low Likelihood High Impact / Low Likelihood	<u>NORMAL PARISH COUNCIL PRACTICE IS TO SEEK TWO ESTIMATES FOR ANY WORK UNDER TWO THOUSAND POUNDS AND THREE QUOTATIONS FOR AMOUNTS OVER TWO THOUSAND POUNDS</u> For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation / tender, research the problem and report to the Council Funding is spent according to the Powers and Responsibilities of the Parish council and the Precepted budget.	Existing procedure adequate. Include when reviewing Financial Regulations. Existing procedure adequate.

<u>Salaries, Fees and associated costs</u>	Fees paid incorrectly; Wrong hours paid; Wrong deduction of NI and Tax; Unpaid Tax and NI Contributions to the Inland Revenue.	High Impact / Low Likelihood	The Parish Council authorises the appointment of all employees and contractors. Salary and fee rates are assessed by the Parish Council. THE CLERK HAS TERMS OF ENGAGEMENT AND A FORMAL CONTRACT. THE CLERK OPERATES PAYE-RTI VIA AN H.M.R.C. INTERNET SYSTEM WHICH COVERS TAX PAID AND NI.	Existing appointment and payment system is adequate. Existing procedure adequate. .
<u>Employees</u>	Loss of key personnel Fraud by staff Actions undertaken by staff	N/A	Reference to the Continuity Plan should be made in case of loss of key personnel. The requirements of the Council's insurance policy to be adhered to with regards to Fraud. The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Existing procedure adequate. Purchase revised reference books when required. Membership of the SLCC.
<u>Councillors Allowances and Expenses</u>	Councillors over-paid	N/A	No allowances are allocated to Parish Councillors Expenses to be agreed in advance	No procedure required at present Existing procedures adequate.
<u>VAT</u>	Re-claiming / Charging	Low Impact/ Low Likelihood	The Council has Financial Regulations which set out the requirements under P126. The Council also recovers VAT for the SCCMC as the Sole Trustee.	Existing procedure adequate
<u>Legal Powers</u>	Illegal activity or payment	High Impact / Low Likelihood	All activities and payments within the powers of the Parish Council to be resolved and Minuted at Parish Council Meetings, including a reference to the power used.	Existing procedures adequate.
<u>Minutes / Agenda / Notices Statutory Documents</u>	Accuracy and legality Business conduct	Medium Impact / Low Likelihood	Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements Minutes are approved and signed at the next Council meeting Minutes and agenda are displayed according to the legal requirements.	Existing procedure adequate. Guidance / training to Chairperson should be given (if and when required). Members to adhere to the Model Code of Conduct
<u>Members interests</u>	Conflict of interest Register of Members interest	High Impact / Medium Likelihood	The declaring of interests by Councillors at a meeting is a process to remind Councillors of their duty and is on the agenda. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate. Members to take responsibility to update their Register.
<u>Insurance</u>	Adequacy Cost Compliance Fidelity Guarantee	High Impact / Medium Likelihood	An annual review is undertaken of all insurance arrangements in place. Employer and employee liability insurance is covered by Insurance Compliance measures are in place. Fidelity checks are in place.	Existing procedure adequate. Review Insurance provision annually.
<u>General Data Protection Regulations</u>	Policy Provision	High Impact / Low Likelihood	The Council is registered with the ICO and has adopted and published on the SPC website all policies for Councillors and the public use, on demand	Registered. Monitor and report any impacts of requests made under the GDPR Act.

<p>Stambridge Parish Council is the SOLE TRUSTEE.</p> <p>Stambridge Community Centre is a registered charity with the terms of the Trust set out in a Charity Commission Scheme dated 10th September 1991, Charity Number 230662.</p>	<p>Stambridge Parish Council, assumed responsibility of the Village Hall charity as the Sole Trustee, by an amendment to the Scheme dated 28th August 2013</p>	<p>High Impact / Low Likelihood</p>	<p>The Stambridge Parish Council is the Sole Trustee.</p>	<p>Monitor and report any impacts of requests made under the Terms of Reference.</p>
<p>Sole Trustee Committee</p>	<p>The Parish Council, meeting as the Sole Trustee Committee, agreed to adopt the Stambridge Community Centre Management Committee (SCCMC) Terms of Reference (TOR) at its meeting held on 26th July 2018 and has recorded the decision under Minute 14 2018/19</p>	<p>High impact / Medium Likelihood</p>	<p>The Sole Trustee Committee has the responsibility of overseeing the running of the SCCMC and ensuring its financial stability</p>	<p>Receives all up to date information from the SCCMC under the Terms of Reference issued to the SCCMC</p>
<p>SCCMC Stambridge Community Centre Management Committee</p>	<p>SCCMC are acting under the Terms of Reference from the Sole Trustee Committee.</p>	<p>High Impact / Medium Likelihood</p>	<p>The SCCMC are responsible to the Sole Trustee Committee and the Stambridge Parish Council.</p>	<p>Terms of Reference issued by the Sole Trustee Committee and the Parish Council, are the Rules of Operation of the SCCMC.</p>
<p>Freedom of Information Act</p>	<p>Policy Provision</p>	<p>High impact Low Likelihood</p>	<p>The council have a model publication scheme for Local Councils in place,</p>	<p>Monitor and report any impacts of requests made under the FOI Act.</p>
<p>Security of all Data in the Clerk's Computer and SPC Laptop.</p>	<p>Loss of information and records.</p>	<p>High Impact Low likelihood.</p>	<p>Computer is Virus protected by McAfee and WinZip software, a separate hard drive and Cloud Storage via Dropbox. Written recovery instruction/directions are available in the event of a total loss and total permanent incapacity of the Clerk.</p>	<p>View latest security available. New laptop to be purchased October/November 2019.</p>

PHYSICAL EQUIPMENT OR AREAS				
Subject	Risk(s) Identified	H/M/L	Management / Control of Risk	Review / Assess / Revise
<u>Assets</u>	Loss or Damage Risk / damage to third party property of individuals	High Impact / Medium Likelihood	An annual review of assets should be undertaken	Existing procedures adequate. Both the insurance provision and maintenance provision to be reviewed annually.
<u>Maintenance</u>	Poor performance of assets or amenities. Loss of income or performance Risk / damage to third parties	High Impact / Medium Likelihood	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised. All assets are insured and reviewed six monthly.	Ensure inspections carried out.

<u>Notice Boards</u>	Risk / damage / injury to third parties Road side Safety	Low Impact / Low Likelihood	The Parish Council has three notice boards sited around the parish. All locations have approval by relevant parties. All notice boards have insurance cover and inspected regularly by the Clerk and any repairs / Maintenance requirements brought to the attention of the Parish Council.	Ensure inspections carried out. Ensure insurance provision adequate.
<u>The Village Sign</u>	Risk / damage / injury to third parties	Low Impact / Low Likelihood	The Parish Council has one village sign sited in the parish. This sign has insurance cover and is inspected regularly by the Councillors and any repairs / Maintenance requirements brought to the attention of the Parish Council.	Ensure inspections carried out. Ensure insurance provision adequate.
<u>Street Lighting –</u>	Risk / damage / injury to third parties	Low Impact / Low Likelihood	The Parish Council is responsible for the upkeep of all street lighting in the Parish. The lights are inspected regularly by Councillors and any repairs / maintenance requirements are brought to the attention of the Parish Council	Ensure inspections carried out. Ensure insurance provision adequate.
<u>ALLOTMENTS:</u>	Risk / damage / injury to third parties	Medium Impact / Low Likelihood	26 plots are maintained by the annual lease holders of the plots. Green Maintenance is provided by the SPC re: borders and unused plots, etc, etc.	Ensure inspections carried out. Ensure Tenants insurance provision is adequate.
<u>VOLUNTEER WORK:</u>	All Work to have Risks Assessments	High to Medium// Medium/Low Likelihood		All volunteers working for the Stambridge Parish Council are covered by Insurance.
<u>Village Entry Signs.</u>	Volunteers at Risk from passing Traffic		Volunteers must wear yellow car breakdown jackets – Must use car breakdown warning triangle in advance and Traffic Cones either side of work. Must work on one side of the road at the time.	.

Chairman:

Clerk/RFO