

## RISK MANAGEMENT POLICY

### **1. Introduction**

1.1 The council recognises that it has a responsibility to take all reasonable and practical measures to safeguard its employees, the people it works with and provides services for; and to protect the natural and built environments for which it is responsible.

1.2 The council is aware that some risks cannot be eliminated fully and has in place a strategy that provides a structured, systematic and focused approach to managing risk

### **2. Objectives**

2.1 The objectives of the risk management policy are to:

- Integrate risk management into the culture of the council
- Manage risk in accordance with best practice and legislative requirements
- Minimise loss, disruption, injury and damages
- Inform policy and operational decisions by identifying risks and their likely impact
- Raise awareness of the need for risk management

2.2 These objectives will be achieved by:

- Identification of risk and level of risk.
- Undertaking risk assessments and reviewing them annually
- Managing the risk and recording actions
- Incorporating risk management considerations into council processes
- Providing appropriate training
- Establishing clear roles, responsibilities and reporting lines
- Effective communication with, and active involvement of, employees

# CLAYGATE PARISH COUNCIL

## RISK MANAGEMENT

### BACKGROUND

Risk management is making sure informed decisions are made based upon facts and the risks identified, which typically might be those of finance and safety. The majority of risk can be eliminated if the Parish Council ensures that it operates according to all relevant rules, legislation, procedures and codes of conduct appertaining to its functioning. Strict adherence to financial disciplines and controls is of paramount importance at all times.

A risk assessment is nothing more than a careful examination of all aspects concerning a particular event/action so that an informed decision can be made knowing that unnecessary risk has been eliminated and any remaining risk together with its possible impact has been identified.

For the ease of implementation and control of a risk management process there are a number of individual activities/responsibilities that can be grouped together under the following headings: -

**Physical assets** - buildings, furniture, equipment, machinery etc.

**Financial** - budgeting, financial accounting, fraud control, petty cash, supporting documentation etc.

**General Liability** - injury to individuals and third parties.

**Employer liability** - the rights of any employee are upheld.

**Legal liability** - duties of the Parish Council are executed in accordance with legal requirements

**Councillor propriety** - adherence to code of conduct, declaration of interests etc.

**Image/attitudes** - maintaining positive image and attitudes towards the Parish Council.

The risk assessment and management procedures for Claygate Parish Council are outlined overleaf with risk factors of high (H), medium (M), low (L) being allocated accordingly.

## RISK ASSESSMENT AND MANAGEMENT

The levels of risk have been rated, low, medium or high, having been arrived at by assessing both the **probability** of an event happening and the **impact** of such an event.

AREA	RISK	IMPACT	LEVEL	CONTROL (agreed action)	REVIEW FREQUENCY
<b>Assets</b>	Protection of Physical assets	Financial loss	M	Assets insured. Value reviewed annually.	Annual
	Security of assets	Financial loss	M	Up to date assets register maintained. Annual physical check.	Annual
	Maintenance of assets	Financial loss compensation claims & reputation damage	M	Regular annual physical review & repair as necessary. Public liability insurance in place	Annual
<b>Financial</b>	Banking	Accounting errors.	M	Banking carried out with recognised mainstream organisation.	
	Cash	Loss of cash through theft /dishonesty	M	Fidelity Insurance in place. Petty cash restricted to only £100. Transactions scrutinised by Int Audit	Annual
	Fraud	Misappropriation of funds. Reputation-al damage	M	Fidelity insurance in place.	
	Financial controls and records	Incorrect payments and accounting errors.	M	i. Monthly bank reconciliation prepared by Clerk & checked by Chairman. ii. Internal & external audit. iii. Two signatories required on cheques iv. Two-monthly analysis of receipts & payments for	Monthly

			<p>Parish Council meeting</p> <p>v. Budget updated every two months for Parish Council meeting</p> <p>vi. Use of customised computer system.</p> <p>vii. Invoices signed off as payable by relevant Councillor.</p> <p>viii. One-off non-budgeted payments approved by Council.</p> <p>ix. Clerk checks for receipt of payments from EBC</p> <p>x. Contracts for work reviewed in accordance with Standing Orders.</p>	
Precept Budget.	Inadequate cash flow. Reputational damage	M	Each Committee submits annual budget recommendations, reviewed by Finance Working Party, with final budget reviewed and agreed by full Parish Council.	Annual
Reserves	Unable to meet financial commitments	M	Maintain general reserve for emergencies reviewed at Council meetings. Build up a fund that will help finance major projects in the future. Provision is made annually for election costs over the course of 4 years.	Bi-monthly  Annual
HMRC	Fine. Reputational damage.	L	VAT return automatically prepared by accountancy software. NICs are prepared automatically by a reputable payroll software company and provided within deadlines	At least six monthly  Monthly
Grants	Improper use of funds	L	All Councillors made aware of potential s 137 payments. Follow-up	

				checks carried out when funds allocated. Procedure for dealing with grants in place.	
	Projects	Inadequate cash flow and/or income	M	Project appraisal must be completed	
	Payroll	Incorrect payments Fraud	M	Recognised reputable payroll software is used. Salary cheques authorised by checked by 2 signatories Pay levels are those agreed by NALC and reviewed annually.	Monthly Annual
	Annual Return	Fine. Reputation-al damage	M	Annual Return figures are agreed at Council meeting and examined by Internal and External Audit and submitted within deadline.	Annual
<b>General Liability</b>	Injury/Damage.	Compensation claims	M	Insurance in place. Risk Assessments for Council activities carried out and implemented and review annually	Annual
	Legal liability as consequence of asset ownership.	Reputation-al damage	M	Insurance in place. Physical assets checked on regular basis	Annual
	Comply with Regulations	Fine. Reputation-al damage	M	Policies and procedures in place. Reviewed annually	Annual
<b>Employer liability</b>	Employment Law	Fine. Reputation-al damage	M M	Membership of NALC and SLCC. Employer liability insurance in place.	
	HMRC	Fine. Reputation-al damage.	M	Regular advice available from Inland Revenue. Internal & external audit. NICs are prepared automatically by a	

				reputable payroll software company and provided within deadlines	
<b>Legal Liability</b>	Safety of staff and visitors	Compensation claims	L	Annual inspection of office.	Annual
	Remuneration and benefits	Underpayments and fraud	L	Pay levels as those agreed by NALC. Reviewed annually. Allowance for working from home as recommended by HMRC and agreed by Council.	Annual
	Professionalism and competence of staff	Errors and reputational damage	L	Staff training undertaken. Clerk identifies training areas/needs.	
	Ensuring activities are within legal powers	Fine and reputational damage	H	Clerk consults reference books on legal matters. Advice sought from SCAPTC, EBC legal dept. or other sources where necessary	
	Proper and timely reporting via the Minutes	Reputational damage	M	Council meets every two months and receives & approves minutes of meetings held in interim. Minutes promptly put on website and sent to Parish Council members/co-opted members.	Bimonthly
	Proper document control	Loss of information	M	Documents kept in office in system of filing. Back-up of electronic data is by on-line back-up. Kept within a locked cupboard and locked store room.	
	Statutory reporting requirements.	Contravening Standing Orders and statutory requirements	M	Clerk adheres to Standing Orders, Financial Regulations as updated by NALC and reference books on legal matters. Advice sought from SALC or other sources where necessary	

ments

**Councillor propriety**

GDPR	Fine and reputational damage	L	Appointed DPO Policies in place	
Declarations	Reputational Damage.	H	All Councillors aware of Model Code & Hospitality Register. Register of Interests reviewed annually	Annual
Code of conduct	Reputational damage	H	Councillors aware of the need to always declare interests at every meeting.	

**Image/ Attitudes**

Conduct	Reputational damage	H	Councillors aware of public image	
Filing	Loss of important documents	H	Locked cabinet used to store some documents. Back-up of electronic data is now by on-line back-up.	
Communications.	Libel and slander claims Reputational damage	H	Libel & slander insurance in place Opinion of Head of Legal Services sought if necessary. Councillors aware all letters and emails should be channelled through the Clerk or Chairman before being sent, unless an acknowledgment of receipt of a communication, an action specifically tasked at a Committee or Council meeting, or of an on-going nature.	
Social Media	Libel and slander claims Reputational Damage	M	Social Media Policy In place.	Annual

Reviewed  
 20/05/04,  
 07/07/2005,,  
 13/07/06,  
 6/9/07,  
 5/3/09, 2  
 5/3/10,  
 10/3/11,  
 12/7/2018