

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
- Undertaking risk assessments
- 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 | LEVEL | CONTROL (agreed action) |
|------------------|---|-------|--|
| Assets | Protection of Physical assets | M | Assets insured. Value reviewed annually. |
| | Security of assets | M | Up to date assets register maintained. Annual physical check. |
| | Maintenance of assets | M | Regular 6 months physical review & repair as necessary. |
| Financial | Banking | M | Banking carried out with recognised mainstream organisation. |
| | Loss of cash through theft/dishonesty | M | Fidelity Insurance in place. Petty cash restricted to only £100 |
| | Fraud prevention, misappropriation of funds | M | Fidelity insurance in place. |
| | Financial controls and records together with comprehensive supporting documentation | M | i. Monthly bank reconciliation prepared by Clerk and checked by Chairman. ii. Internal & external audit. iii. Two signatories required on cheques iv. Two-monthly analysis of receipts & payments for Parish Council meeting v. Budget updated every two months for Parish Council meeting vi. Use of customised computer system. |
| | Sound budgeting to underlie annual precept. | M | Each Committee submits annual budget recommendations, reviewed by Finance Working party, with final budget reviewed and agreed by full Parish Council. |
| | Sensible reserve/contingency policy | M | Our policy is to have reserve to cover contingencies and a further reserve to build up a fund that will help finance |

| | | | |
|---------------------------|--|---|--|
| | | | major projects in the future. |
| | Comply with Customs and Excise Regulations | L | VAT return automatically prepared by accountancy software. C & E consulted directly on VAT to be paid in respect of advertising revenue. |
| | Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137. | L | All Councillors made aware of potential s 137 payments. Follow-up checks carried out when funds allocated. |
| | Where appropriate full and detailed investment /project appraisal be carried out prior to the commitment of funds. | H | Project appraisal must be completed |
| General Liability | Identification of future financial commitments be they one off or ongoing. | M | All financial commitments included in budget, which is agreed by full Council. Full Council must also agree any one-off non-budgeted payments. |
| Employer liability | Risk to third party, property or individuals. | M | Insurance in place. |
| | Legal liability as consequence of asset ownership. | M | Insurance in place. Physical assets checked on regular basis |
| | Comply with Employment Law | M | Membership of NALC and SLCC |
| | Comply with Inland Revenue requirements | M | Regular advice received from Inland Revenue. Internal & external audit. |
| Legal Liability | Safety of staff and visitors | L | Annual inspection of office. |
| | Appropriate remuneration and benefits | L | Pay levels as those agreed by NALC. Reviewed annually |
| | Professionalism and competence of staff | L | Staff training undertaken. Clerk identifies training areas/needs. |
| | Ensuring activities are within legal powers | 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 | M | Council meets every two months and receives & approves minutes of meetings held in interim. Minutes promptly sent out to Parish Council members/co-opted members, Ward & Borough Councillors and EBC. |
| | Proper document control | M | Documents kept in office in system of filing. Back-up of electronic data is now by on-line back-up. |
| | Adherence to procedures and statutory requirements | M | Clerk adheres to Standing Orders, Financial Regulations as updated by NALC and reference books on legal matters. Advice sought from SCAPTC or other sources where necessary |
| Councillor propriety | Register of interests and gifts and hospitality in place | H | All Councillors aware of Model Code & Hospitality Register. Register of Interests reviewed annually |
| | Compliance with code of conduct | H | Councillors aware of the need to declare interests |
| Image/ Attitudes | Professional representation whilst conducting council business | H | Councillors aware of public image |
| | Central filing of key correspondence/documents. | H | Fireproof cabinet used to store some documents. Back-up of electronic data is now by on-line back-up. |
| | Legality of spoken and written communications. | H | Libel & slander insurance in place Opinion of Head of Legal Services sought if necessary |
| | Authorisation and clearance of communications (written and verbal) | H | Libel & slander insurance in place. Councillors aware all letters 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.

THIS RISK ASSESSMENT AUDIT WAS CONSIDERED BY THE COUNCIL ON 8 Jan 2004
IT WILL BE REVIEWED AGAIN IN 12 MONTHS

20/05/04, 07/07/2005,, 13/07/06, 6/9/07, 5/3/09, 25/3/10, 10/3/11