SUCKLEY PARISH COUNCIL - RISK MANAGEMENT POLICY

1. Legal context

Suckley Parish Council has adopted this risk management policy in accordance with the guidance set out in Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG) and also to comply with the Health and Safety at Work Act 1974.

2. The purpose of this policy

This policy sets out how the Council will identify, assess and manage risks. This policy allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities and to maintain its integrity.

3. Background

3.1 Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of Suckley Parish Council's objectives and possibly impact its reputation. Risk management is the process whereby the Council methodically addresses the risks associated with what it does and the services it provides. The focus of risk management is to identify what can go wrong and take proportionate steps to minimise the impact of the risks identified, or successfully manage the consequences if the risks occur or terminate the activity that could cause the risk. Effective risk management allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities.

3.2 Risk management is not just about financial management; it is about protecting the ability of the Council to deliver high quality and safe public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact the ability to achieve desired outcomes. The Council generally and members individually are responsible for risk management of the activities associated with the running of the Parish Council.

3.3 Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks (probability and impact); managing the risks to a level that is as low as reasonably practicable; and reviewing and reporting.

4. Identifying risks

4.1 In order to manage risk, the Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process and is carried out as a minimum on a yearly basis and when a risk is identified during the course of Parish Council work.

4.2 The Council will identify the key risks to successfully achieving its outcomes and services, in the following categories:

a) assets – damage to property;

b) financial – loss of money, fraud, theft, embezzlement;

c) liability – breaking the law or being sued which includes Health and Safety requirements;

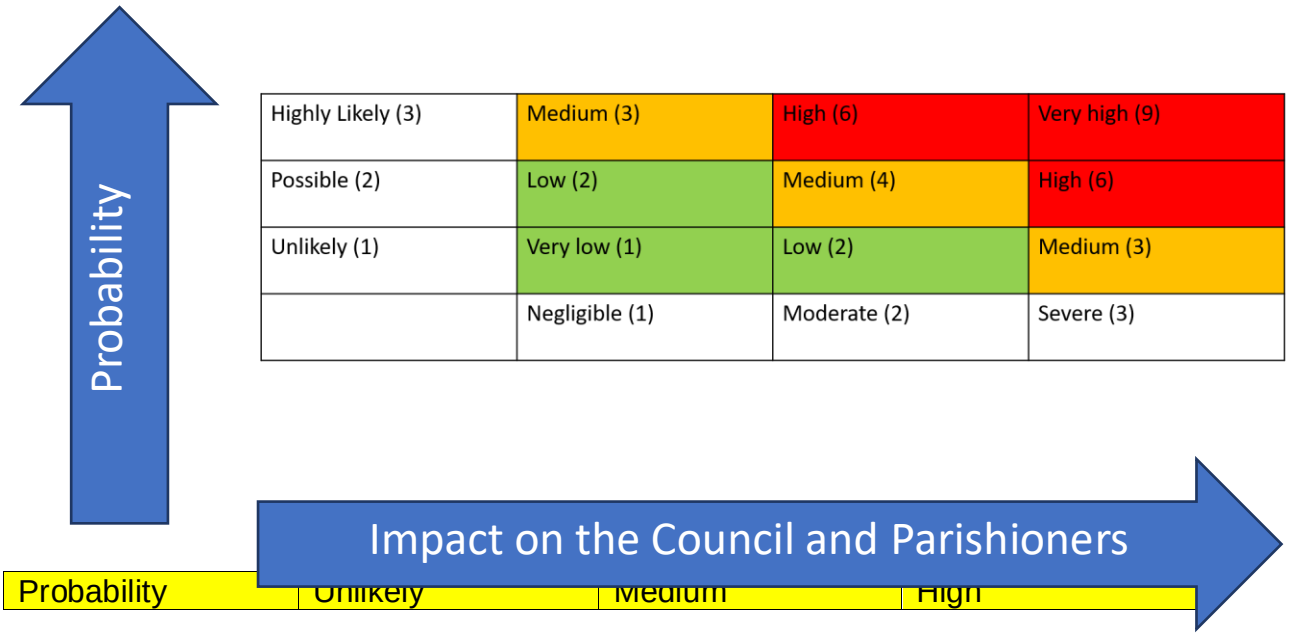
e) IT – failure of IT systems or misuse; and

f) Councillor propriety – actions taken could harm the authority's public reputation.

4.3 A Separate general risk assessments is carried out for the Suckley Playing Fields and for any new services and events, in line with the requirements of the Council's insurers. These are carried out by the Clerk, drawing on the expertise of Councillors. All general risk assessments are reviewed by the Clerk when the risk assessment has been carried out and by Full Council at least annually.

4.4 Having identified potential risks, the Council assesses the probability of it happening and the impact it would have, using JPAG's recommended assessment process. This allows the Council to identify low, medium and high risks when considering measures it should take.

Suckley Parish Council's risk assessment matrix:



Probability	Unlikely	Medium	High

	<10%	>10% <70%	>70%

Impact	Negligible	Moderate	Severe
	• Cost <£500. • Minor hazard to Health. • FOI request received.	• Cost >£500 <£5000. • Possible minor injury. • Damage to Parish Council reputation.	• Cost >£5000 • Life threatening incident. • Parish Council compromised in carrying out its role.

5. Managing risks

5.1 Risk is unavoidable and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk, which is initiated within the Council, is called 'internal control' and may involve one or more of the following standard responses:

Tolerate	For risks that are containable; where the possible controls cannot be justified (e.g. they would be disproportionate) and where risks are unavoidable (Probability of event is very low and impact is very high or the risk could not be reasonably expected to occur)e.g. terrorism.
Treat	Imposing controls so that the organisation can continue to operate; or introducing measures to deal with the risk by reducing either the probability of the risk occurring or the impact if it does occur.
Transfer	Buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.
Terminate	Avoiding or cancelling activities where no response can bring the risk to an acceptable level. The risk therefore no longer exists.

6.2 The Council will use insurance (transfer risk) to help manage risk including the following :

a) The protection of physical asserts owned by the council – equipment etc (loss or damage);

b) The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability);

c) The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss);

d) Loss of cash through theft or dishonesty (fidelity guarantee);

e) Legal liability as a consequence of asset ownership (public liability).

6.3 The limited staff resources available to the Council means that it works with specialist external bodies to help manage risk include the following:

a) Maintenance for amenities and equipment;

b) The provision of services being carried out under agency/partnership agreements with principal authorities;

c) Banking arrangements;

d) Professional services (planning, architects, accountancy, design, Solicitors etc.).

7. Reviewing and reporting

7.1 Having identified likely risks, the Council records this in the Parish Council Risk Register (Appendix 1). This register is kept under review by the Clerk and recorded at the time that a risk is raised and is reported to Full Council at least once a year, in March. In terms of a new safety risk this is raised with the parish council at the earliest opportunity for action.

7.2 The Council seeks advice and guidance on risk management from its insurers, JPAG, the National Association of Local Councils, Worcestershire CALC, The Society of Local Council Clerks and other training providers. Governance qualifications and additional specialist training where appropriate.

Category	Risk	Mitigation Action Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	Risk rating
Assets/Safety	1.1 Damage occurs to Parish Council capital assets resulting in a loss of availability to the community and expenditure to reinstate. There could also be an impact from a safety perspective from breaking off of branches of trees	Transfer Risk Buildings insured. Mitigation Action - General risk assessments carried out for all Council assets and reviewed annually.	2/2	2/1	4/2
Assets	1.2 Security of equipment is compromised by malicious intent and theft resulting in the loss of assets to the parishioners and damage to Parish Council assets also the financial implications of rectifying the damage.	Transfer Risk insured. Mitigation Action - Playing Fields Pavilion locked and bolted at specified times. All weather pitch – locked when not in use.	2/2	1/1	2/2
Finance	2.1 Banking - Security and accountability of financial transactions is compromised resulting in failure to account for public expenditure and result in loss of Parish Council credibility. Possible prosecution for anomalies in controlling public finance may occur.	Mitigation Action -A current account is held with Nat West Bank. - Total balance is reported monthly to Council ensure it does not exceed FSCS limit of for public expenditure. £125k. (Any funds above £125k will be transferred to another institution, with approval from Full Council and two Cllrs to approve transfer.) -As per Financial Regulations (FRs) 4 members are signatories, and two signatories approve each online payment or sign cheques. Signatories may view account balances and transactions online. The Clerk is appointed Service Administrator and can set up, but not approve payments or sign cheques.	1/1	2/2	2/2

Category	Risk	Mitigation Action Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	Risk rating
Finance	2.2 Risk of loss of precept income from Malvern District Council which are outside the control of the Parish Council.	Mitigation Action -Reserves policy in place to maintain a 'general reserve' of at least six months Net Revenue Expenditure.	2/2	1/1	2/2
Finance/ Reputational	2.3 Loss of public money through theft or dishonesty as a result of lack of governance and control by the Parish Council. Resulting in loss of reputational credibility for the Parish Council.	Mitigation Action -No cash is received, only cheques and online payments. -As per FRs a monthly schedule of payments is submitted to Full Council for approval. - Two Cllr signatories check each payment on the schedule against the supporting invoice (in hard copy or e-copy) and sign - wet signature for hard copy/ e-signature for e-copies. Two Cllr signatories then approve each online payment or sign each cheque.	1/1	2/2	2/2
Finance/ Reputational	2.4 Failure to instill appropriate financial controls and records results in public money not having the appropriate level of financial governance.	Mitigation Action -As per FRs a monthly schedule of payments is submitted to Full Council for approval. The approved schedule of payments is included in the minutes. - Two Cllr signatories check each payment on the schedule against the supporting invoice (in hard copy or e-copy) and sign - wet signature for hard copy/ e-signature for e-copies. - Two Cllr signatories then approve each online payment or sign each cheque. -The Clerk (and RFO) prepares a monthly bank reconciliation with bank statements, which is scrutinised at Full Council meetings and signed by the Chairman and one councillor. -The internal auditor checks a selection of transactions against the bank reconciliation, bank statements and invoices. - External auditor to provide double check.	2/1	2/2	4/2

Category	Risk	Mitigation Action Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	Risk rating
		Action required* -Send e-copies of original bank statements to Cllrs monthly with bank reconciliations. (April 2021)			
Finance	2.5 Failure to Comply with HMRC VAT Regulations resulting in a possible fine.	Mitigation Action -VAT claims calculated by Clerk (and RFO) using Quickbooks Finance software and submitted annually. -Internal and external auditor to provide double check.	1/1	3/3	3/3
Finance	2.6 Failure to implement a representative budget to underlie the annual precept will result in a high overspend or underspend during the year.	Mitigation Action -Clerk prepares detailed budget for consideration by full Council in Dec/Jan. - Proposed budget and precept demand approved at January Full Council meeting. - Clerk (and RFO) prepares monthly budget monitoring report using Quickbooks Finance software, to monitor receipts and payments and identify over/underspends. - Considered monthly by Full Council and revisions approved throughout the year e.g. transfers into/ from reserves. -Clerk reviews reserves as part of budgeting process. Reserves Policy set and reviewed annually to ensure reserves are adequate. Action required* -Clerk to produce monthly budget monitoring report for circulation to all councillors. (April 2022)	2/1	2/2	4/2
Liability/ Safety	3.1 Failure to protect third party, property or individuals as a result of accidents occurring with Parish facilities or open spaces. This could result in financial expenditure to challenge legal claims and the	Transfer risk — public liability insurance Mitigation action -General risk assessments carried out for all Council assets and reviewed annually. -Programme of regular weekly inspections in place for play area and playing field carried out by Clerk as Rospa Qualified.	2/2	2/1	4/2

Category	Risk	Mitigation Action Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	Risk rating
	possibility of paying any subsequent damages for successful court claims.	-Written records of play area inspections are held by the Clerk. - Annual Rospa Play Inspections are carried out and reported to full council. Actions required* -Carry out a general risk assessment for the playing fields			
Liability/ Safety	3.2 Legal liability as consequence of asset ownership especially Playgrounds may occur with the public. This could result in court claims of negligence in maintaining the assets and possible subsequent damages being paid out.	Transfer risk — public liability insurance General risk assessments carried out for all Council assets and reviewed annually. -Programme of regular weekly inspections in place for the play area. - Written records of play area inspections kept.	2/1	2/2	2/2
Employer Liability	4.1 Failure to comply with Employment Law could result in fines and legal action.	Mitigation Action - The possibility of not complying with Employment Law is reduced by keeping up to date with Employment Law by Membership of Worcestershire CALC. -Further knowledge on the subject is achieved by the Clerk being a member of the SLCC. - Staff Committee in place with delegated responsibility for HR management.	2/1	2/2	4/2
Employer Liability	4.2 Failure to comply with HMRC and Pensions Regulator requirements resulting in fines and/or legal action.	Mitigation Action -HMRC PAYE& NI liability calculated using HMRC Basic Tools -Regular advice from HMRC reviewed by the Clerk -Internal and external auditor to provide double check. -Clerk is still in Gratuity Pension Scheme so opted out. Actions required* -Review contractual pensions arrangement for Clerk when asked by the Pension Authority.	2/1	2/2	4/2

Category	Risk	Mitigation Action Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	Risk rating
Employer Liability	4.3 The safety of staff and visitors is compromised resulting in injury and possible prosecution under the Health and Safety at Work Act.	Transfer risk — employers liability insurance and public liability insurance Mitigation action -General risk assessments carried out for all Council assets and reviewed annually. - Programme of regular monthly inspections in place for play area and playing field.	2/2	2/1	4/2
Legal Liability/ Reputation	5.1 Activities may be carried out which are not within the legal powers of the Parish Council. Resulting in legal proceedings against the Parish Council and loss of Parish Council reputation	Mitigation Action -If the proposal is outside the knowledge level of the Clerk then legal advice will be sought where necessary (from Worcestershire CALC/SLCC). -12th edition of Charles Arnold Baker - Local Council Administration purchased for use by the Clerk.	2/1	3/2	6/2
Legal Liability	5.2 Loss of Clerk meaning that Council is unable to undertake all duties and responsibilities in a way that is compliant with Action required legislation.	Mitigation Action -A locum clerk may be available through contact with Worcestershire CALC/ SLCC.	2/2	2/1	4/2
Legal Liability	5.3 Possible failure to produce accurate and timely reporting via the monthly minutes. This will result in a failure to address the issues raised and agreements made, coupled with a loss of visibility to the community of council business.	Mitigation Action -The Council meets once a month (except for Sept & December) and receives and approves Minutes of the last meeting. -Draft Minutes and approved minutes are made available to the press and public via the web site.	2/1	2/2	2/2
Legal Liability	5.5 Failure to put in place separate	Mitigation Action It is understood the council has no need for other	0/0	0/0	0/0

Category	**Risk**	**Mitigation Action** Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	**Risk rating**
	governance, banking and accounting arrangements for any other item for which the Council is the sole trustee	arrangements as it is not a sole trustee			
IT	6.1 Council desk top fails resulting in loss of access to files and inability to deliver services.	Mitigation Action -Clerk stores all data on a separate drive and also has a further back up data stick .	2/1	1/1	2/1
IT	6.2 Council desk top is compromised leading to unrestricted access to Council data, resulting in data breach and investigation by the Information Commissioner's Office. Reputational damage.	Mitigation Action: The Clerk does not use a desk top for council documents or information. Any old data stored for over 2 years electronically will be deleted.	2/1	2/2	4/2
Councillor Propriety	7.1 Failure to register interests, gifts and hospitality could lead to Councillors being compromised in the course of their business and being subject to legal action.	Mitigation Action: -Register of interest completed by individual Councillors and published on the website. -The need for Councillors to declare their interests when involved in Parish Council activities is required (standing item on agenda). -Code of Conduct reviewed annually.	2/1	2/2	4/2
Councillor Propriety	7.2 The Council fails to manage, retain or dispose of personal data properly, resulting in possible data breach and investigation by the Information Commissioner's Office. Reputational damage.	Mitigation Action: - -Reviewed Information and Data Protection Policy adopted. -	2/1	2/2	4/2

Category	Risk	Mitigation Action Current Action and Actions required*	Probability (Pre/ post mitigation)	Impact (Pre/ post mitigation)	Risk rating
Covid-19 pandemic/ infectious disease outbreaks	8.1 Ongoing restrictions imposed in response to the ongoing pandemic impact upon the Council's ability to provide its core services (playing field, play area, allotments and prevent the Council from meeting and carrying out its business.	Mitigation Action -The Council to address a scheme of delegation to the Clerk adopted in the event that neither physical nor online meetings can take place.	2/2	2/1	4/2