GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

DATE

Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Damage to third party property or individuals	Low	Public Liability Insurance	Annual check on level of cover in place (RFO) Logged system of complaints received and action taken	Low
Damage to public seating and risk to third party as a consequence of damage	Medium	Public Liability Insurance Ongoing maintenance of public seats Claims for costs in respect of damage pursued whenever possible	Annual check on level of cover in place (RFO) Logged system of complaints received and action taken Regular inspections carried out by the Clerk Condition of public seating monitored as part of annual Asset Check	Low
Damage to bus shelters and risk to third party as a consequence of damage	Medium	Public Liability Insurance Ongoing maintenance to bus shelters Claims for costs in respect of damage pursued whenever possible	Annual check on level of cover in place (RFO) Logged system of complaints received and action taken Regular inspections carried out by the Clerk Condition of bus shelters monitored as part of annual Asset Check	Low
Damage to litter bins and risk to third party as a consequence of damage	Medium	Public Liability Insurance Ongoing maintenance to litter bins Claims for costs in respect of damage pursued whenever possible	Annual check on level of cover in place (RFO) Logged system of complaints received and action taken Regular inspections carried out by the Clerk Condition of litter bins monitored as part of annual Asset Check	Low

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Damage to fixtures and fittings of public toilets at the playing field and risk to third party as a consequence of damage	High	Public Liability Insurance Ongoing maintenance of fixtures and fittings Claims for costs in respect of damage pursued whenever possible	Annual check on level of cover in place (RFO) Logged system of complaints received and action taken Regular inspections carried out by the cleaner	Medium
Damage to play equipment and risk to third party as a consequence of damage	High	Public Liability Insurance Ongoing maintenance to play equipment Claims for costs in respect of damage pursued whenever possible	Annual check on level of cover in place (RFO) Logged system of complaints received and action taken Weekly, Quarterly and Annual Inspections of Play areas carried out by competent persons	Medium
Damage to headstones and risk to third party as a consequence of falling headstones or trees	Medium	Good quality headstone tester Council contracts reputable contractor to carry out tree surgery in Church yard and Cemetery	Biennial testing of the headstones in both the churchyard and cemetery Ongoing maintenance of trees in churchyard and cemetery.	Low
Protection of Council properties, furniture and equipment	Medium	Insurance Cover obtained Up to date Asset Register Regular Maintenance of equipment Annual Portable Appliance Testing. Annual testing of fire alarm, emergency lighting and fire extinguishers. Five yearly fixed wire testing. Security marking on equipment kept up to date	Annual check on insurance values (RFO) Asset Register (Yearend) and annual asset check carried out. Use of qualified technicians Use of reputable insurance provider	Low

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Security of vulnerable building (Parish Rooms)	Medium	Externally lit area. Provision of Fire extinguishers, fire drills Secure locks and annual review of security. Record of key holders	Fire protection equipment serviced by competent person	Low
Insolvency of insurance company	Low	Use of one of the largest companies providing specialist cover for Councils Free legal service and advice from National Association of Local Councils and Cornwall Association of Local Councils	Reputation within the sector monitored	Low
Legal liability as a consequence of asset ownership	Medium	Public Liability Insurance Professional advice available if required from Councils solicitor, CALC, NALC, SLCC	Annual check on level of cover in place (RFO)	Low
Personal Accident to Members and Officers	Medium	Employer's Liability cover Health & Safety Handbook provided to Officers. Staff receive relevant health & safety training. Trained first aiders and first aid kits]	Annual check on level of cover in place (RFO)	Low
Health of Members and Officers	Medium	Council buildings and vehicle are designated no smoking areas	Smoke detectors	Low

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Assault to Members and Officers	High	Employer's Liability cover Premises are secure.	Annual check on level of cover in place (RFO)	Medium
Assault of third party by Members and Officers	Low	Public Liability cover	Annual check on level of cover in place (RFO)	Low
Security of officers working alone in building	Medium	Premises are secure.	Staff meetings to review and staff appraisals	Low
Security of officers exiting and locking up building after meetings	Medium	Officer to be accompanied when leaving the building and locking up after meetings	Members ensure that officer is not left alone to exit building	Low
Procedures in place for recording and monitoring members' interests, gifts and hospitality received Completion of Code of Conduct	Low	Code of Conduct signed and a Register of Interest completed by each Member of the Council Disclosure of interest register kept listing any interests, gifts and hospitality received Disclosure of interests to appear as an item on the agenda as a prompt to members	Internal audit check Register of Interest kept by the Clerk with a copy kept by the Cornwall Council Monitoring Officer	Low
Loss of cash through theft or dishonesty Cash (on premises or in transit)	High	Fidelity Guarantee Premises are secure. Secure storage of cash Money is regularly banked No Petty Cash is kept	Fidelity Insurance reviewed and increased appropriately annually (RFO) Thorough vetting process of job applicants and annual staff reviews Quarterly internal checks carried out by one Councillor	Medium

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Loss of Investments	High	Deposits made at reputable high street bank No stocks and shares investments	The Council regularly reviews the consolidated bank reconciliation	Medium
Keeping proper financial records in accordance with statutory requirements	High	Regular scrutiny of financial records and approval of pending expenditure by Members Records kept in accordance with Accounts and Audit Regulations	Standing Orders and Financial regulations reviewed annually by the Council Quarterly internal checks carried out by one Member of the Council Annual Internal and External Audit Officer and Member training	Low
Ensuring all requirements met under employment law and Inland Revenue regulations and Salaries in accordance with adopted scales	Medium	Monthly Full Payment Submissions to Inland Revenue Contracts of employment for all staff	Annual Staffing Review Quarterly internal checks carried out by one Member of the Council Annual Internal and External Audit	Low
Unfair dismissal claims	Medium	Grievance and Appeals procedure Free legal service and advice from National Association of Local Councils and Cornwall Association of Local Councils	Robust policies and procedures. Staff appraisal process.	Low
Failure of Computer system - Hardware - Software	Medium	Virus protection installed on server and PC's Monthly backups undertaken and back up drive located at a different location.	Provision reviewed annually by RFO and insured	Low

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Banking Arrangements	Medium	All payments in line with Financial Regulations. Payments authorised by Full Council with cheques and an Electronic Payments Schedule signed by three councillors and bank statement cross referenced with payment schedule by one Member of the Councilfor electronic payments Regular bank reconciliations	Quarterly internal checks carried out by one Member of the Council Annual Internal and External Audit	Low
Loss of Income, or the need to provide essential services	High	General Reserves	Reviewed annually	Medium
Ensuring all requirements are met under Customs and Excise regulations	Medium	The Clerk calculates VAT and produces VAT claim form twice a year.	VAT return total compared to Expenditure cash book to check totals match.	Low
Ensuring adequacy of annual precept within sound budgeting arrangements	Medium	Budgets prepared to determine amount required. Budget includes current budget and the projected position for following year based on actual costs and projected inflation. Approval of budget by Full Council.	Regular budget monitoring report to the Council	Low
Ensuring all business activities are within legal powers applicable to local councils	Medium	All activity and payments resolved and Minuted at Full Council. Clerk consults with CALC or NALC when necessary. Regular scrutiny of financial records by the Council Councillor and staff training	Standing Orders and Financial Regulations Internal Audit External Audit	Low

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Complying with restrictions on borrowing	Medium	Borrowing approval authorised by Council in line with current restrictions	Reference to Local Council Administration Book (Charles Arnold Baker) and National Association of Local Councils and CALC	Low
Ensuring proper use of funds granted to local community groups under specific powers or under 137	Medium	Identification of items paid under Section 137 and reported in the Annual Accounts	Annual Independent Internal Audit	Low
Breach of Confidentiality	High	Registration under the Data Protection Act Procedures for dealing with confidential data Included in Contracts of Employment Item on each agenda for considering items to be taken in private session	Clerk maintains up to date registration entry Regular Members and Officer training	Medium
Proper, timely and accurate reporting of Council business in minutes	Medium	Minutes properly numbered with a master copy kept in safekeeping Minutes circulated	Minutes approved and signed at next meeting of Council or Committee Internal Audit check	Low

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Failure to respond to electors wishing to exercise their rights of inspection	Medium	Minutes published on Council website and placed in library for public inspection Financial Information published on Website Advertising of end of year accounts and available for inspection to the public as required under the Accounts and Audit Regulations Freedom of Information Publication Scheme	Elector informed of Council's complaints procedure	Low
Document control – correspondence, postage, storage and filing, etc	Medium	Filing systems maintained in lockable cabinets Record of postages maintained Regular review of need to retain documents and other records Any deeds or other legal documents stored in fire proof cabinets Computer backed up monthly and back up copy kept in fire safe place.	Quarterly internal checks carried out by one Members of the Council	Low
Provision of amenities/facilities for occasional use by third parties and community groups	Medium	Booking Application Forms in place for use/hire of facilities by third parties and community groups Health and Safety Issues highlighted to hirers and contractors	Review by the Council	Low

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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Risk Description	Current Risk Factor	Measures Taken	Controls	New Risk Factor
Changes to legislation and procedures	Medium	Provide effective training for Staff and Councillors Subscribe to Society of Local Council Clerks and Cornwall Association of Local Councils Standing Orders, policies and procedures reviewed regularly	Provide adequate budget for staff and Councillor training Annual Review of Internal Controls carried out by Independent Internal Auditor	Low
Loss of Officers due to sudden departure or long term illness	High	Multiple staff trained in different duties. Production of detailed instructions for key tasks e.g. salaries, posting payments. SLCC offer a locum Clerk in case of sudden departure or incapacity of staff members.	Regular appraisals Annual staffing report presented to the Council	Medium
Supplies and Services provided to the Council	High	Contract for services advertised and awarded in line with Standing Orders and Financial Regulations Ensure Contractors have adequate insurance and public liability cover Ensure Contractors have appropriate Health and Safety policy	Regular contract compliance monitoring Sight of insurance certificate before award of contract	Medium

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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RISK MANAGEMENT STRATEGY & POLICY

1. **Introduction**

1.1 This document forms the Council's Risk Management Strategy.
It sets out:
- What is risk management;
- Why does the Council need a risk management strategy;
- What is the Council's philosophy on risk management;
- What is the risk management process
- How will risk management feed into the Council's existing policies
- Roles and responsibilities;
- Future monitoring and reporting lines for risk management;

1.2 The objectives of this strategy are to:
- Further develop risk management and raise its profile across the Council;
- Integrate risk management into the culture of the organisation;
- Embed risk management through the ownership and management of risk as part of all decision-making processes; and
- Manage risk in accordance with best practice.

2. **What is Risk Management?**

2.1
Risk - 'Risk is the combination of the probability of an event and its consequence. Consequences can range from positive to negative.'

Risk Management - 'Process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of success and reducing the likelihood of failure.'
Institute of Risk Management (IRM) A Risk Management Standard IRM (2002)

2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety, but applies to all aspects of the Council's work.

2.3 Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working.

The examples below are not exhaustive:
Strategic Risk - long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the Council, loss of public confidence, or in a worst-case scenario Government intervention.

Compliance Risk - failure to comply with legislation or laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals, and inability to enforce contracts.

Financial Risk - fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on Council reserves.

Operating Risk - failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.

2.4 Not all these risks are insurable and for some the premiums may not be cost effective. Even where insurance is available, a monetary consideration may not be an adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.

2.5 Risk is not restricted to potential threats but can be connected with opportunities. Good risk management can facilitate proactive, rather than merely defensive responses. Measures to manage adverse risks are likely to help with managing positive ones.

3. **Why does the Council need a Risk Management Strategy?**

3.1 Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.

3.2 The Risk Management Strategy will help to ensure that all Committees across the Council have an understanding of risk and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it termination, treating, transfer or tolerance.

3.3 Strategic risk management is also an integral part of the performance management and service review process and as such is an important element in demonstrating continuous service improvement.

3.4 There is an Audit requirement under the Accounts and Audit (England) Regulations 2011 (SI2011/817) s.4 (1) to establish and maintain a systematic strategy, framework and process for managing risk. Risks and their control will be collated in a Risk Register. A statement about the system of internal control and the management of risk will be included as part of the Annual Statement of Accounts and summarised in the Council's Annual Report.

GWENNAP PARISH COUNCIL – RISK ASSESSMENT and Risk Management Strategy

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4. What is the Council's philosophy on Risk Management?

4.1 Risk Management Policy Statement
Gwennap Parish Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise the opportunities to achieve its vision.
The Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.
Risk management is an integral part of the Council's management processes.

5. What is the Risk Management Process?

5.1 Implementing the Strategy involves identifying, analysing/prioritising, managing and monitoring risks.

Risk Identification - Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed. All risks identified will be recorded in the Council's Risk Register.

Risk Analysis - Once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.

Risk Prioritisation – An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored Negligible (1), Low (2), Medium (3) and High (4).

		Impact			
		Negligible (1)	Low (2)	Medium (3)	High (4)
Likelihood	High (4)	7	11	14	16
	Medium (3)	4	8	12	15
	Low (2)	2	5	9	13
	Negligible (1)	1	3	6	10

The scores for impact and likelihood are scored as above. Risks scoring 11 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

5.2 Risk Control.

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control require the identification and implementation of revised operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level.

Options for control include:

- Tolerate – documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.

- Treat – loss control measures are implemented to reduce the impact/likelihood of the risk occurring;

- Transfer – the financial impact is passed to a third party or by way of insurance. This is good for mitigating financial risks or risks to assets;

- Terminate – the circumstances from which the risk arises are ceased so that the risk no longer exists;

5.3 Risk Monitoring

The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time. The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

6. **How will Risk Management feed into the Council's existing policies?**

6.1 The identification of Risks will be achieved by managers and supervisors compiling a list of the risks in their service area(s) which will be integrated into a comprehensive corporate Risk Register.

6.2 Projects and Service Changes - managers and supervisors developing projects or recommending changes to services will ensure that risks are identified and the measures to eliminate or control risks are documented in agenda reports/briefing papers to be considered by the Council and its committees.

6.3 Partnership Working - the Council will continue to enter into a number of partnerships with organisations from the public, private, voluntary and community sectors where necessary. Some of these organisations may not have the same sensitivities to the risks that the Council sees as important. Part of the process of setting up future partnerships will be to ensure that all relevant risks are identified and that appropriate control mechanisms are built into the management arrangements for the partnership.

7. Roles and Responsibilities

7.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place. Those who best know the risks to a particular service are those responsible for it. The process must be driven from the top but must also involve staff throughout the organisation.

7.2 Elected Members - risk management is seen as a key part of the Elected Member's stewardship role and there is an expectation that Elected Members will lead and monitor the approach adopted.
This will include:

- Approval of the Risk Management Strategy;

- Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed;

- Consideration, and if appropriate, endorsement of the annual Statement of Internal Control; and

- Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.

7.3 Parish Clerk / Responsible Finance Officer - will act as the Lead Officer on Risk Management and be responsible for overseeing the implementation of the detail of the Risk Management Strategy. The Parish Clerk / Responsible Finance Officer will:

- provide advice as to the legality of policy and service delivery choices;

- provide advice on the implications for service areas of the Council's corporate aims, objectives and Best Value targets;

- update the Council and sections on the implications of new or revised legislation; assist in handling any litigation claims;

- provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work related illness or injury;

- advise on any health and safety implications of the chosen or proposed arrangements for service delivery;

- report progress to Council via the Audit & Accounting Governance Committee;

- assess and implement the Council's insurance requirements;

- assess the financial implications of strategic policy options;

- provide assistance and advice on budgetary planning and control;

- ensure that the Financial Information System allows effective budgetary control; and

- effectively manage the Council's investment and loan portfolio.

- ensure that Risk Management is an integral part of any service review process;
- ensure that recommendations for risk control are detailed in service review reports; and
- will assist in developing and monitoring Performance Indicators for Risk Management.

7.4 Role of Internal Audit - Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the Parish Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

Internal Audit reports, and any recommendations contained within, will help to shape the annual Statement of Internal Control.

7.5 Finance Committee - Review and future development of the Risk Management Policy and Strategy and compilation of the Risk Register.

7.6 Training - Risk Management training will be provided to Elected Members and the Parish Clerk.
The aim will be to ensure that both Elected Members and Clerk have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

8. **Future Monitoring**

8.1 Review of Risk Management Strategy - This Strategy will be reviewed on a regular basis as part of the Council's continuing review of its policy documents, Standing Orders and Financial Regulations. Recommendations for change will be reported to Finance Committee.

8.2 Once the Risk Register has been completed, it is crucial that the information is regularly reviewed and updated. New risks will emerge and need to be controlled. Feedback from Internal and External Audit can identify areas for improvement, as can the sharing of best practice via professional bodies, the National Association of Local Councils and relevant local council forums.

8.3 Reporting on Progress – The Parish Clerk will present an annual report to the Finance Committee detailing progress on risk management over the year and providing a summary of the Risk Register.

9. **Conclusion**

9.1 The adoption of a sound risk management approach should achieve many benefits for the Council. It will assist in demonstrating that the Council is committed to continuous service improvement and effective corporate governance.

10 **Freedom of Information**

10.1 In accordance with the Freedom of Information Act 2000, this document will be posted on the Council's Website and copies of this document and the Risk Register will be available for inspection by request.