EYE TOWN COUNCIL

Risk Management Policy

Eye Town 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 by Eye Town Council.

The Clerk (who is also the Responsible Financial Officer) will review risks on a regular basis, including any newly identified risks, and will report to Council. The review will include identification of any unacceptable levels of risk.

The Local Councils Governance and Accountability Guidance – a Practitioners Guide 2014 edition makes the following observations regarding risk management:

"…the focus of good risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Risk management is not just about financial management; it is about protecting the achievement of objectives set by the council to deliver high quality public services."

It goes on to make the point that the Council generally and Members individually are responsible for risk management because risk threatens the achievement of policy objectives.

The risk register for Eye Town Council is attached to this policy in Appendix A. it takes into account the following measures.

Members 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)   Decide upon appropriate measures to avoid, reduce or control the risk or its consequences.
(d)   Record any conclusions or decisions reached.
         To identify the risks facing a council, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken into the following areas: -
         (1)   Areas where there may be scope to use insurance to help manage risk
         (2)   Areas where there may be scope to work with others to help manage risk
         (3)   Areas where there may be need to self-managed risk.

AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK

1   RISK IDENTIFICATION
Insurance cover for risk is the most common approach to certain types of inherent risk:
(a)   Protection of physical assets.
(b)   Public Liability.
(c)   Employers Liability.
(d)   Loss of cash.
(e)   Fidelity guarantee.
(f)   Libel and Slander.
(h)   Office equipment.
(i)   Personal accident.

2   INTERNAL CONTROLS
(a)   Maintain an up-to-date register of Assets and Investments.
(b)   Regular maintenance for physical assets.
(c)   Annual Review of risk and the adequacy and robustness of insurance cover.

3   INTERNAL AUDIT ASSURANCE
(a)   Review of internal controls in place and their documentation.

AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

1   RISK IDENTIFICATION
(a)   Security for vulnerable buildings, amenities or equipment.
 (b)   Banking Services.
 (c)   Professional services, contractors etc.

2   INTERNAL CONTROLS
(a)   Standing Orders and Financial Regulations dealing with the award of contracts for services or purchases.
 (b)   Arrangements to detect and deter fraud and/or corruption.
(c)   Regular bank reconciliations, independently reviewed.

3   INTERNAL AUDIT ASSURANCE
(a)   Review of internal controls in place and their documentation.
(b)   Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied.
 (c)   Review of arrangements to prevent and detect fraud and corruption.

AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

1 RISK IDENTIFICATION
(a)   Keeping proper financial records in accordance with statutory regulations.
(b)   Ensuring all business activities are within legal powers applicable to Parish Councils.
(c)   Complying with restrictions on borrowing.
(d)   Ensuring that all requirements are met under employment law and Inland Revenue regulations.
(e)   Ensuring all requirements are met under Customs and Excise regulations.
(f)   Ensuring the adequacy of the annual precept within sound budgeting arrangements.
(g)   Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137.
(h)   Proper, timely and accurate reporting of the Council business in the minutes.
(i)   Responding to electors wishing to exercise their rights of inspection.
(j)   Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date.

2   INTERNAL CONTROLS
(a)   Regular scrutiny of financial records and proper arrangements for the approval of Expenditure.
(b)   Recording in the budget and minutes the precise powers under which expenditure is being approved:
(c)   Regular returns to the Inland Revenue; contracts of employment and job descriptions for all staff; systems of updating records for any changes in relevant legislation reviewed by Council.
(d)   Regular returns of VAT.
(e)   Developing system of performance measurement.
(f)   Minutes properly numbered with a master copy kept in safekeeping.
(g)   Documented procedures to deal with enquiries from the public.
(h)   Documented procedures for document receipt, circulation, response, handling and filing.
(i)   Adoption of Codes of Conduct for members.

3 INTERNAL AUDIT ASSURANCES
(a)   Review of internal controls in place and their documentation.
 (b)   Review of minutes to ensure legal powers in place, recorded and correctly applied.
(c)   Computer data safety.

The risk assessments for the activities of the Council's sub-committees are reviewed and agreed by Council annually by each committee.

This policy was adopted by Eye Town Council on 17th March 2021

Signed

.... Mayor.

Appendix A

EYE TOWN COUNCIL – RISK REGISTER

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

This document has been produced to enable the Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focuses approach to managing risk, which:

□ Identifies the key risks facing the council

□ Identifies what the risk may be

□ Identifies the level of risk

□ Evaluates the management and control of the risk and records findings

□ Reviews, assesses and revises procedures if required.

Key L = Likelihood, S = Severity

No	Risk	Impact	L	S	Control Action – Internal Controls	Review Frequency	Alternative Review Trigger/Internal Audit Assurance	Responsible Person(s)
1	Lack of budgetary controls	Loss of spending power Financial instability	L	H	Regular Finance and Governance sub-committee meetings. Annual financial risk assessment. Half yearly reporting to council meetings of year to date spend.	Annually by October	Unexpected large expense	Town Mayor, Town Clerk and Finance and Governance sub-committee

2.	Lack of forward planning	Lack of direction and prioritisation	L	L	Use community plan to guide thinking. Establish forward planning sub-committee.	Every three years	Significant event or development in parish	Town Mayor and Neighbourhood Plan Implementation sub-committee
3.	Poor reporting to Council	Poor quality decision making Council becomes ill informed	L	M	Timely and accurate financial and other reporting. Ensure clerk remains briefed and updates training. Regular project and sub-committee reports.	Each meeting	Matter raised at meeting	Town Clerk and Chairs of sub-committees
4.	Sudden loss of Clerk	Failure in budgetary controls Correspondence backlog	L	H	Up to date job descriptions. Appraisal systems. Clear office procedures. Clear budgetary procedures. Succession plan for clerk's post.	Annual appraisal Review procedure every 3 years	Long period of absence	Town Mayor/ Finance and Governance, policy and contracts sub-committee
5.	Poor document control	Information not passed on in a timely manner Deadlines missed Lack of achievement	M	M	Clear office procedures including forward reminders. Good quality reports to Council. Clear Job Descriptions. Monitoring of correspondence. Create a log of Documents.	Regularly	Major incident Complaints	Mayor, Town Clerk and Finance and Governance sub-committee

6.	Ensure Council complies with law, in particular Health and Safety Equal Opportunities Data Protection Human Rights Disability Discrimination Employment Law	Fines and Penalties from regulation bodies Employee action for negligence or grievance Loss of reputation	L	H	Clear Policies and procedures Contracts reviewed and updated Training programme for staff and new councillors including induction procedure Use of LAIS and other regular mailings to form briefings for staff and councillors	Every 3 years Monthly/ quarterly	Following incident Complaints	Mayor, Town Clerk and all councillors
7.	The provision of services carried out under agency/ partnership agreements	Loss of reputation Poor public image	L	M	Clear statement of responsibility for each service Regular review of agreements and scrutiny of performance against targets	Every 3 years Ongoing	Change of supplier	Town Clerk and Finance and Governance sub-committee
8.	Ensuring all business activities are within legal power	Illegal expenditure Poor public image	L	H	Consultation with SALC and solicitors as necessary Clerk training to keep up to date with legislation	As required	Complaint	Town Clerk and Finance and Governance sub-committee

9.	Inaccurate reporting of Council business in the Minutes	Confusion and misunderstandings. Actions not reflecting intentions of Council.	L	H	Minutes to be approved by Town Council. Minutes properly numbered and paginated with a master copy for safekeeping. Training for Clerk if required	Monthly Ongoing	Significant questioning of minutes at next meeting	Town Clerk
10	Meeting the laid down timetables when responding to consultation invitation	Affect reputation Ineffective involvement	L	M	Careful monitoring and scheduling of document responses	As necessary	Complaints	Mayor and Town Clerk
11	Council lacks relevant skills and commitment	Council fails to achieve its purpose. Decision making by-passes Council. Poor value for precept money	L	H	Training for Councillors. Close review of attendance. Encourage good communication between Clerk and Councillors. Develop suitable recruitment material to fill vacancies.	Regularly. Every meeting	Lack of ability to fulfil subcommittee tasks	Town Mayor
12	Council becomes dominated by one or two individuals, or cliques form	Conflicts of interest. Pursuit of personal agendas. Decisions made outside Council.	M	M	Clear Standing Orders regarding conduct of meetings and Conflict of Interests. Training for Councillors. Good record keeping about decisions.	Annually On going	Complaints Bullying in meetings	Town Mayor

13	Failure to register Members' interests, gifts, etc.	Member could make inappropriate gains. Could affect reputations	L	M	Procedures in place for recording and monitoring Members' interests and gifts	Every 5 years	Complaints	Town Clerk
14	Lack of maintenance of Council owned property	High cost of repair or replacement Injury to third party leading to claims	M	H	Regular inspections of play and skate park equipment. Establish maintenance framework for properties. Maintain adequate insurance cover	Weekly Annually Review annually	Unexpected incident	Town Clerk and council
15	Damage or loss to Council owned property by third party or act of God.	High cost of repair Loss of assets Disruption Damage to public property or person	M L M L	L M M H	Maintain an up to date register of assets. Maintain adequate insurance cover. Regular inspection of Council property and framework for maintenance. Valuable assets kept at Manor Storage. Back-up copies of all essential documents (ie computer records, burial records). Emergency Plan	Annually Annually Regularly On going On going	Police report or damage report Annual facilities review register Review of management arrangements regarding insurance cover (loss or damage)	Mayor and Town Clerk

16	Damage to third party property or individual due to service or amenity provided	Claim against Council	L	L	Public liability insurance Comprehensive event planning Regular checks of facilities and service provision Ensure all amenities/facilities are maintained to appropriate level (ongoing) Risk assessments	As required	As reported Review of Insurance Cover Review of adequacy of insurance cover provided	Town Clerk, Caretaker, Town Events sub-committee and other sub-committees as required
17	Loss of cash through fraud or dishonesty	Reduction in available funds Loss of reputation	L	H	Clear financial procedures and regulations. Annual internal audits Adequate insurance cover	Annually Annually	On a Loss Review Insurance Cover (fidelity guarantee)	Town Clerk and Finance and Governance sub-committee
18	Inadequacy of Precept. Ensuring the adequacy of the annual precept within sound budgeting arrangements	Services not provided. Lack of confidence in Council. Inability to carry out functions. Insufficient funds for contingencies or projects.	L	M	Regular in-year budget progress reports In-depth annual budgetary review and budget setting	Half yearly at Council Meetings Annually	Unexpected event i.e. major damage to town hall	Town Clerk and Finance and Governance sub-committee

19	Problems due to borrowing or lending. Complying with restrictions on borrowing	Failure of third party to repay loan. Inability of Council to repay a loan	L	L	Include loan repayments in annual budget	Half yearly reviews	Review of internal controls in place and their documentation. Officers to ensure compliance with restrictions on borrowing. Monitoring by internal auditor.	Town Clerk and Finance and Governance and Finance and Governance sub-committee
20	Failure to use grants received for intended purposes.	Lack of funds for project for which grant was intended Investigation into the use of funds	L	L	Ensure funds properly ring fenced. Clear financial procedures. Record clearly in minutes. Work to deadlines.	Annually	Review of minutes	Town Clerk
21	Failure to use grants given for intended purposes. Ensuring appropriate granting of monies	Lack of funds for project for which grant was intended. Misuse of grant monies.	M	L	Follow up on projects. Obtain detailed financial information prior to considering granting of funds.	As required	Reports from the public about inappropriate situations	Town Clerk

22	Keeping the proper statutory financial records	Inadequate financial control	L	H	Regular scrutiny of financial records and proper arrangements for the approval of expenditure. Annual review by internal auditor.	Annually	Review of internal controls in place and their documentation	Town Clerk and Finance and Governance and Governance sub-committee
23	Finance and Governances – Failure to plan for staff absence	Inability to manage accounts during staff absence	M	H	Regular communication with clerk. Ensure Finance and Governance sub-committee is knowledgeable about the council accounts and financial procedures. Clear communication with creditors	Ongoing	Staff absence / resignation	Mayor, Town Clerk and Finance and Governance and Governance sub-committee
24	Failure to register Town Council owned land	Land ownership disputes	M	H	Ensure all Town Council owned land is registered with HM Land Registry	As required	Boundary/land ownership dispute	Town Clerk
25	Failure to be risk aware in assessing income generation opportunities	Opportunities requiring some risk are not taken up	M	M	Councillors to consider innovation and structured risk taking and investment backed by a business case.	As required	Income stagnation	All Council
26	Risk to Council's data systems from external hacking.	Personal data at risk	L	H	Purchase cyber insurance through the Council's insurance provider	Annual	As part of the annual insurance process	Council/Clerk