

# Itchingfield Parish Council

## Risk Management Policy & Risk Register

Risk Management Policy adopted by

Itchingfield Parish Council 27<sup>th</sup> February 2023

## Risk Management Policy

The council recognises that it has a responsibility take all reasonable and practical steps to reduce risks associated with its activities.

Risk Management is the process by which risks are identified, evaluated and addressed.

The objectives of the Risk Management policy are as follows:

- Integrate risk management into the culture of the council
- Manage risk in accordance with best practice and legislative requirements
- Inform policy and operational decisions by identifying risks and appropriate risk mitigation measures

A key component of Risk Management is the assessment of risk and maintenance of a Risk Register. For each council activity, risks will be identified and evaluated according to the potential consequence (severity) and probability of occurrence (likelihood) using a risk assessment matrix. The response to an identified risk may be one or more of the following actions:

- Tolerate the risk where:
  - Impact is containable with contingency plans OR
  - Mitigating the risk would require disproportionate measures OR
  - No mitigation measures are possible
- Treat the risk by implementation of controls on the activity
- Transfer the risk e.g. through insurance or contracting activity to suitably qualified third parties
- Terminate the activity where mitigation measures cannot bring the risk to a tolerable level

**Risks will be recorded on the Council's Risk Register and will be reviewed at council meeting each time a new activity with associated risk(s) is identified. An annual review and updating of the Risk Register will be undertaken at the Council AGM.**

## Risk Assessment Matrix

|            |                | 4: Catastrophic | 3: Major | 2: Moderate | 1: Minor |
|------------|----------------|-----------------|----------|-------------|----------|
| Likelihood | 4: Very likely | 16              | 12       | 8           | 4        |
|            | 3: Likely      | 12              | 9        | 6           | 3        |
|            | 2: Possible    | 8               | 6        | 4           | 2        |
|            | 1: Unlikely    | 4               | 3        | 2           | 1        |

### Severity key

4. Catastrophic; death, major financial or data loss, criminal investigation, legal proceedings, cease functioning

3. Major; hospitalisation, significant financial or data loss, audit failure - statutory, complaint to monitoring officer

2. Moderate; medical treatment, some financial or data loss, audit failure – best practice, unactioned parish complaints

1. Minor; first aid, minor/no financial or data loss

### Actions:

GREEN: Monitor

AMBER: Review/implement further mitigation where possible

RED: Mitigate or stop activity

# Risk Register

20/02/2023

| Reference | Type       | Description  | Control measures in place/ <b>Actions</b>   | Responsibility | Likelihood/Severity with controls/ <b>Actions</b> in place |
|-----------|------------|--|---|----------------|--|
| 1.1.      | Continuity | Hard copy critical data loss                           | -Some online duplication<br><b><u>-Migrate to 3-way digital storage for all critical data</u></b>   | Clerk          | 2/2<br><b><u>1/1</u></b>                                   |
| 1.2.      | Continuity | IT malfunction   | -Periodic 2-way data backup<br><b><u>-Migrate to 3-way digital storage for all critical data</u></b>  | Clerk          | 2/3<br><b><u>1/1</u></b>                                   |
| 1.3.      | Continuity | Clerk leaves   | <b><u>-All data in shared access location</u></b><br><b><u>-Shadow critical functions</u></b>   | Clerk /PC      | 1/3<br><b><u>1/1</u></b>                                   |
| 1.4.      | Continuity | Insufficient councillors                               | -Advertise elections<br>-Publicise council activities/engage parishioners<br>-Actively seek co-opts if required   | Clerk /PC      | 1/4  |
| 1.5.      | Continuity | Insufficient funds to meet expenditure and liabilities | -Annual budget<br>-High levels of reserve<br><b><u>-Rolling budget</u></b><br><b><u>-Moderate reserve</u></b>   |                | 2/3<br><b><u>1/2</u></b>                                   |
| 2.1.      | Finance    | Inadequate records                                     | <b><u>Review &amp; implement appropriate NALC guidance</u></b>  | Clerk          | 3/3<br><b><u>1/2</u></b>                                   |
| 2.2.      | Finance    | Illegal financial activity                             | -Financial transactions approved at PC meetings<br><b><u>-Visibility of bank reconciliation at monthly meetings</u></b><br><b><u>- Dual authorisation of transactions</u></b> | PC             | 1/4<br><b><u>1/3</u></b>                                   |

|      |            |   |   |           |                          |
|------|------------|---|---|-----------|--------------------------|
|      |            |   | <b><u>-Reduce reserves to moderate level</u></b>  |           |                          |
| 2.3. | Finance    | Incorrect salary/tax/NI/allowances/expenses                     | <b><u>-Implement double check process</u></b>   | Clerk /PC | 2/2<br><b><u>1/2</u></b> |
| 2.4. | Finance    | Incorrect invoice payments                                      | -Payments checked & approved at PC meetings   | Clerk /PC | 1/2                      |
| 2.5. | Finance    | Grants improperly awarded                                       | -Grants approved at PC meetings   | PC        | 1/3                      |
| 2.6. | Finance    | Annual financial returns incorrect/late                         | -Internal audit<br>-Check at PC meeting<br><b><u>-Move to workbook/accountancy package based financial management</u></b> | Clerk /PC | 2/3<br><b><u>1/3</u></b> |
| 2.7. | Finance    | Incorrect VAT management  | -   | Clerk     | 1/3                      |
| 2.8. | Finance    | Bank failure  | -Use major high street banks<br><b><u>-Ensure no acc has more than FCA guarantee limit</u></b>                            | Clerk     | 1/4<br><b><u>1/3</u></b> |
| 2.9. | Finance    | Insufficient insurance cover                                    | -Review cover annually  | Clerk     | 1/4                      |
| 3.1. | Governance | Failure to conform to legal requirements for council operations | <b><u>-Internal audit</u></b><br><b><u>- Annual review of governance</u></b>  | Clerk /PC | 3/3<br><b><u>1/2</u></b> |
| 3.2. | Governance | Incorrect award of contracts                                    | -Review tendering process and award at PC meeting   | Clerk     | 1/3                      |
| 3.3. | Governance | No succession plan  | -Nominate Vice-chair<br><b><u>-Ensure necessary information for handover is easily available</u></b>                      |           | 1/2<br><b><u>1/1</u></b> |
| 3.4. | Governance | Inaccurate or misleading minutes/other council information      | -Approve minutes & other publicly available information at PC meetings  |           | 1/2                      |
| 3.5. | Governance | Councillors not meeting statutory obligations and/or not        | <b><u>-Appropriate training</u></b><br><b><u>- Make appropriate support material easily available</u></b>                 |           |                          |

|      |             |  |   |       |                   |
|------|-------------|--|---|-------|-------------------|
|      |             | conforming to recommended best practices   |   |       |                   |
| 3.6. | Governance  | Clerk/RFO insufficiently aware of council statutory obligations and recommended best practices | <p><u>-Appropriate training for clerk &amp; PCs</u></p> <p><u>- Make appropriate support material easily available</u></p> <p><u>- Annual review of governance</u></p>  |       |                   |
| 4.1. | Operations  | Third party work not completed within budget/on schedule                                       | <p>-Ensure contract provides appropriate cover</p> <p>-Utilise reputable contractors</p> <p>-Allocate appropriate contingency</p> <p>-Ensure appropriate level of PM</p>  | PC    | 2/3               |
| 4.2. | Operations  | Litter Warden accident   | <p>-Provide appropriate PPE</p> <p>-Provide appropriate insurance cover</p> <p><u>-Ensure LWs are aware of and following HSE best practice</u></p> <p><u>-Provide LWs with appropriate guidance</u></p> <p><u>-Ensure PC legally protected from possible litigation</u></p> |       | 2/4<br><u>1/4</u> |
| 4.3. | Operations  | Disruption at council meeting  | <u>-Make plan for handling disruption</u>   | Clerk | <u>1/3</u>        |
| 4.4. | Operations  | Abusive behaviour/threat to councillors/clerk  | <p><u>- Training on conflict management</u></p> <p><u>-Develop plan</u></p>   |       | 1/3<br><u>1/2</u> |
| 5.1. | Assets      | Damage to council owned street furniture/lighting / open spaces                                | -Insurance  |       | 1/1               |
| 5.2. | Assets      | Unauthorised use of council owned land   | -Restrict access<br><u>-Appropriate notices</u>   |       | 1/3<br><u>1/3</u> |
| 6.1. | Liabilities | Accident on council land   | <p>-Appropriate safety notices and measures</p> <p>-Insurance</p> <p><u>-Appropriate notices</u></p>  |       | 2/4               |

|      |             |  |  |  |     |
|------|-------------|--|--|--|-----|
| 6.2. | Liabilities | HSE issues with council supported activities | -Ensure appropriate HSE best practices are known and followed<br>-Public liability insurance |  | 2/4 |
| 6.3. | Liabilities | Theft of council owned property              | -Ensure appropriate security measures are followed<br>-Insurance                             |  | 1/2 |
| 6.4. | Liabilities | Non-compliance with employment law           | -Employment contracts to be reviewed by appropriate specialist/use approved templates        |  | 1/3 |
| 6.5. | Liabilities | GDPR breach                                  | -Follow NALC recommended best practise for GDPR<br>-Internal audit                           |  | 1/3 |