



CROMHALL PARISH COUNCIL

## **Risk Management Strategy 2022**

Reviewed and approved by council 2022/05/11 9b

### **What is 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, standard of conduct and service delivery arrangements (Audit Commission)*

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.

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 or normal working. Examples include:

- 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, 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, 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.

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 to reducing risk before costly steps to transfer risk to another party are considered.

## **Responsibility for Risk Management**

Responsibility for effective Risk Management rests with all Members of the Council. Members have ultimate responsibility for Risk Management as risks threaten the achievement of policy objectives. In the context of Risk Management, Members:

- exercise leadership,
- consider and adopt current and future risk management policies and strategies, and
- support and monitor the risk management process.

The Chair has overall responsibility for securing adherence to the Council's policy on Risk Management.

## **Risk Management Policy Statement**

Cromhall Parish Council recognises that it has a responsibility to manage risks effectively in order to protect employees, assets, liabilities and community against potential losses and to minimise uncertainty in achieving its goals.

The Risk Management Policy of the Council is to be fully committed to effective Risk Management, adopting best practices in the identification, evaluation and control of risks, in order to:

- integrate risk management into the culture of the Council,
- eliminate or reduce risks to an acceptable level,
- anticipate and respond to changing social, environmental and legislative requirements,
- prevent injury and damage and reduce the cost of risk, and
- raise awareness of the need for Risk Management.

## **Approach to Risk Management**

The Council's approach to Risk Management requires that all risks should be systematically identified and managed in the most cost-effective manner within overall resources available. Each risk identified by the Council is recorded in the Council Risk Register. The impact is assessed and appropriate control measures are put in place. Reviews and the management of the Risk is assigned to the Council. The overall responsibility to ensure that this procedure is adhered to rests with the Council's Chair.

## Risk Register

Table 1 Details of areas of risk and controls

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Review/Assess/Revise
<b>Precept</b>	Adequacy of precept in order for the Council to carry out its Statutory duties	L	To determine the precept amount required, the Council receives budget update information monthly. At the budget planning meeting Council receives a budget report, including actual position and projected position to the end of year and indicative figures or costings obtained by the Clerk. With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from South Gloucestershire Council. The figure is submitted by the Clerk in writing. The Clerk informs the Council when the monies are received.	Existing procedure adequate.
<b>Financial Records</b>	Inadequate records Financial irregularities	L L	The Council has Financial Regulations which sets out the requirements. Internal control checks, budget checks and internal audit	Existing procedure adequate Reviewed Financial regulations
<b>Bank and banking</b>	Inadequate checks Banks mistakes	L L	The Council has Financial Regulations which set out banking requirements Monthly reconciliation	Existing procedure adequate Existing procedure adequate
<b>Reporting and auditing</b>	Information communication	L	Financial information is a monthly agenda item (Finance Report) and discussed/reviewed and approved at each meeting.	Existing procedures adequate.
<b>Grants</b>	Receipt of grant	L	Any grants are reported to council and recorded in the minutes. RFO monitors receipt of funds and reports to council.	Existing procedure adequate.

<b>Subject</b>	<b>Risk(s) identified</b>	<b>H/M/L</b>	<b>Management/control of Risk</b>	<b>Review/Assess/Revise</b>
<b>Grants and support payable</b>	Power to pay Authorisation of Council to pay	L	Grant policy in place. All expenditure goes through the Council process of approval, minuted and listed accordingly using S137 powers of expenditure.	Existing procedure adequate.
<b>Best value accountability</b>	Work awarded Incorrectly. Overspend on services.	L M	Parish Council practice is to seek three quotation for any substantial work to be undertaken in line with Financial Regulations. For major work competitive tenders are sought using Contract Finder above £25K. If problems encountered with a contract the Clerk would investigate the situation and reports to the Council.	Existing procedure adequate. Standin Orders and Financial regulations reviewed.
<b>Salaries and assoc. costs</b>	Salary paid incorrectly. Unpaid Tax to Inland Revenue.	L L	On line with good practice payroll is now outsourced to PATA Council approves any payments of salary and tax payable to Inland Revenue	Existing procedure adequate.
<b>Employees</b>	Fraud by staff  Health and safety	L L	Requirements of the Insurance adhered to with regards to fraud. All employees to be provided adequate direction and safety equipment needed to undertake their roles	Existing procedures adequate. Monitor health and safety requirements and insurance annually.
<b>VAT</b>	Reclaiming/charging	L	The Council has Financial Regulations which set out the requirements to reclaim annually.	Existing procedures adequate
<b>Annual Return</b>	Submit within time limits	L	Annual Return; Accounts submitted to internal auditor to report which is then submitted to council to review and approve Annual Governance Statement followed by Accounting Statements. Correct period of public examination and submission to External Auditor within time frame.	Existing procedures adequate.
<b>Subject</b>	<b>Risk(s) identified</b>	<b>H/M/L</b>	<b>Management/control of Risk</b>	<b>Review/Assess/Revise</b>

<b>Legal Powers</b>	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved at full Council Meetings, including reference to the power used under the Finance section of agenda and Finance report monthly.	Existing procedures adequate
<b>Minutes/agendas/ Notices/Statutory Documents</b>	Accuracy and legality	L	Minutes and agenda are produced in the prescribed manor by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting.	Existing procedures adequate.
	Business conduct	L	Agenda displayed according to legal requirements. Business conducted at Council meetings should be managed by the Chair	Members adhere to Code of Conduct
<b>Members interests</b>	Conflict of interests Register of members interests	L M	Declarations of interest by members at each Council meeting. Register of member's interests recorded with South Gloucestershire Council and are on their website.	Existing procedures adequate. Members take responsibility to update register.
<b>Insurance</b>	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken of all insurance arrangements. Employers and Employee liabilities a necessity and within policies. Ensure compliance measures are in place. Fidelity checks in place.	Existing procedure adequate. Insurance reviewed annually.
<b>Data protection</b>	Policy provision	L	The Parish Council is registered with ICO posted on website	Ensure annual renewal of registration
<b>Freedom of Information</b>	Policy Provision	L	Annual report to council on requests under FOI and subject access requests. The Parish Council is aware that if a substantial request came in it could create a number of additional hours work.	Monitor any requests made under FOI

## PHYSICAL EQUIPMENT OR AREAS

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Review/Assess/Revise
<b>Assets</b>	Loss or damage Risk/damage to third party (i.e.) property	L L	An annual review of assets is undertaken for insurance provision	Existing procedures adequate
<b>Maintenance</b>	Poor performance of assets or amenities	L	All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for any repair is actioned/authorised in accordance with the correct procedures of the Parish Council. Annual inspection of play area. Assets are insured.	Existing procedures adequate
<b>Notice Board</b>	Risk of damage	L	Formal inspection procedures in place and any reports of damage or faults are reported to the Parish Council and dealt with in accordance of the correct procedures of the Council.	Existing procedures adequate
<b>Meeting locations</b>	Adequacy Health & Safety	L M	The Parish Council meeting is held in a venue considered to have appropriate facilities for the Clerk, members and the general public.	Existing procedures adequate
<b>Council records – paper</b>	Loss through: Theft Fire damage	L M L	Parish Council paper records are stored in locked cabinet and electronically (with back up) where appropriate. Old records - historical correspondences, minutes, insurance, and bank records held in Gloucestershire Archives.	Damage (apart from fire) and theft is unlikely and so provision is adequate.
<b>Council records – electronic</b>	Loss through: Theft, fire damage or corruption of computer	L M	The Parish Council electronic records are stored on the Council computers Offsite Back-ups of electronic data is made at regular intervals	Existing procedures considered adequate

<b>Risk</b>	<b>Level</b>	<b>Control</b>
<b>Protection of physical assets</b>	M	Insured
<b>Banking</b>	M	Bank account held with a National Bank
<b>Risk of consequential loss of income</b>	L	Insurance cover. Office computer backed up remotely
<b>Financial controls and records</b>	M	Monthly reconciliation prepared by Clerk, signed by The Chair. Two signatories on all payments
<b>Compliance with HMRC rules</b>	M	VAT claims calculated and checked by the Clerk.
<b>Sound budgeting to underlie annual precept</b>	M	Full Council receive detailed draft budgets in late autumn. Precept is derived directly from this. Expenditure against budget reported to Full Council
<b>Risks to third party, property or individuals</b>	M	Insurance in place. Play area checked weekly and Open spaces checked regularly. Trees investigated when damage reported. Any reported injury is investigated and reviewed
<b>Legal liability as a consequence of asset ownership Open Spaces</b>	H	Insurance in place.
<b>Compliance with employment law</b>	M	Membership of ALCA, clerk member of SLCC
<b>Comply with Inland Revenue requirements</b>	M	Regular advice from Inland Revenue, internal auditor carries out annual checks
<b>Ensuring activities are within legal powers</b>	M	Clerk clarifies legal position on new proposals. Legal advice to be sought where necessary. Clerk attend periodic training updates and receives SLCC, NALC and LGA advisories
<b>Proper and timely reporting via the minutes</b>	M	Council meets once a month and approves minutes of previous meetings. Minutes are produced within 1 week of meeting and draft is posted to website. Once approved, draft minutes replaced with approved version. Minutes are publicly available on the Council's website
<b>Proper document control</b>	L	Leases and other legal documents are held in secure storage or lodged with Gloucestershire Archives
<b>Registers of interests and gifts and hospitality</b>	L	Register of interests completed and available to view on Parish Council website.