

MICHAELSTON-LE-PIT & LECKWITH COMMUNITY COUNCIL CYNGOR CYMUNEDOL LLANFIHANGEL-Y-PWLL A LECWYDD

RISK MANGEMENT POLICY

1. INTRODUCTION

- 1.1 The recognition and management of risk is vital to ensure the proper management of the Council's assets and resources and efficient discharge of its duties and responsibilities to the community. Risk assessment is a continuous process which the Council needs to keep under review and ensure continuous monitoring.
- 1.2 The Practitioner's Guide on Governance and Accountability requires Councils to identify risks which it faces and put in place a scheme designed to create the necessary awareness and actions required to reduce the threat of possibility of an action or even that can impact on the interests of the Council and in turn the community it serves.
- 1.3 Risk management is not a process which seeks to avoid risk completely but it sees to identify and assess risks on an individual basis by using a scoring methodology which identifies the severity of risk, the likelihood of it occurring and the impact if the risk was realized. Although each risk will have a different score rating, each of the risks will require an assessment of actions needed to minimise the risk.
- 1.4 The Plan which is appended to this policy identifies each of the risks that are considered to require attention as the impact of each on the Council would be of concern and in some cases could be extremely serious.
- 1.5 The Plan forms part of the internal control arrangements of the Council and will be used as part of the process of audit by the Council's Internal Auditor.
- 1.6 In most of the identified areas of risk the Council's insurance arrangements will apply such as in relation to public liability, employer liability, loss of money, fidelity guarantee, property damage, official's indemnity and loss or damage to equipment. The Council's insurers do however require the Council to adopt a process of risk management so that the exposure to insured risks are minimised.
- 1.7 An annual review of the plan in conjunction with the Council's insurance arrangements will be undertaken at the Annual Meeting of the Council.

2. ASSESSMENT CRITERIA

2.1 Rating and Classification of Risks

The rating and classification that is used in the Plan is as follows:

a) Rating

Potential Consequences Score: 1-5

Likelihood of Happening Score: 1-5

Severity Level Score: Potential Consequence x Likelihood

b) Classification

1-5 Low

6-10 Medium

11-15 High

16-25 Very High

RISK MANAGEMENT PLAN

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to Reduce/Minimise/Control Risk
Precept	Not Submitted by Clerk	5	1	5	Low	Full Budget process in place. Clerk to prepare budget annually in December. Finance Committee to consider budget annually in January Full Council to determine precept annually in January Clerk to notify County Council in February
	Not paid by County Council	5	1	5	Low	Clerk to monitor and report to Council Paid directly to bank account by BACS
	Inadequacy of Precept	5	1	5	Low	Clerk to present Reconciled Accounts, Receipts and Expenditure and Financial Summary to Council meetings.
Loss of Money	Non recording of cash payments	5	1	5	Low	There are currently no cash payments received.
	Loss through theft or dishonesty of Staff or Members	5	2	10	Medium	All cheques signed by one Councillor and the Clerk, against invoices. BACS payments are authorised by two signatories. All expenditure approved by Council and accounts subject to internal audit and Council scrutiny
Borrowing/ Lending	Adequacy of finances to repay loan	5	1	5	Low	NA
Investment Strategy Income/Policy	Investment Strategy Policy	5	1	5	Low	Council to review Annually
Reserves – General	Ensure Adequacy	5	1	5	Low	Council policy to maintain a non-earmarked reserve of between 3 and 12 months' annual budgeted sum.
Reserves – Earmarked	Ensure Adequacy	5	1	5	Low	Council to approve earmarked reserves for specific matters (if required)
SLA's	Currently not applicable					NA

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to Reduce/Minimise/Control Risk
Expenditure						
Legal Powers	Illegal Payment or Activity	5	2	10	Medium	All statutory powers to undertake work recorded in minutes. Ensure compliance with Standing Orders and Financial Regulations. Review of Standing Orders and Financial Regulations during lifetime of Council
Salaries/Wages	Wrong Salary Paid	5	2	10	Medium	Clerk's salary presented to Council and Chairman at Council Meetings to scrutinise details of claim
	Wrong Rate Applied	5	2	10	Medium	Salary levels to be determined annually and recorded in the minutes.
	Not Accounting for correct deductions of NI, Tax to HMRC	5	2	10	Medium	HMRC Basic PAYE Tools used to process salary payments, and Clerk to deduct TAX/NI and pay HMRC by due dates. Council to monitor salary and wages payments in accordance with budget. (Clerk is currently the only employee)
Recovery of VAT	VAT Not recovered	4	1	4	Low	Clerk to make claim for reimbursement on an annual basis. Full Council to monitor receipt of VAT and Internal Auditor to check claims have been made as appropriate. Cashbook includes dedicated column for recording of VAT (in relation to claiming VAT refunds)
Financial Assistance	Legal Power to contribute	5	2	10	Medium	Compliance with section 137 and other legislation
	Compliance with Council Policy	5	1	5	Low	Educate/Remind members of Policy
	Overspend	5	2	10	Medium	Clerk to monitor monthly and report to Council at meetings.
Councillors Allowances	Allowances not paid in accordance with the IRPW's scheme	4	1	5	Low	Clerk to ensure that all claims are appropriately submitted with Councillors being required to complete claim forms supported by receipts as appropriate.
Training of Councillors	Councillors do not have the required knowledge to fulfil their roles.	3	5	15	High	Allocate a budget for training and arrange for Councillors to attend OVW courses and other appropriate courses
Training of Clerk / Staff	Clerk (only employee) does not have the knowledge and skills required for the role	3	5	15	High	Invest in SLCC training and other suitable learning opportunities. Consider supporting the Clerk to become CiLCA qualified.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to Reduce/Minimise/Control Risk
Availability of Staff	Main issue concerns any long term absence of the Clerk	5	2	10	Medium	Contact neighbouring Councils to see if cover can be provided by other serving Clerks. Or Access to SLCC's locum service
Other						
Assets	Loss/Damage thereof	5	2	10	Medium	Assets insured for replacement value. Review Asset Register annually.
	Risk or damage to third party property or individuals	4	2	8	Medium	Public Liability in place. Review annually
Employees and Councillors	Health and Safety	5	2	10	Medium	Employees/Councillors to be provided with the Health and Safety Policy. Policy to be written by the Clerk and adopted by the Council. Monitor Health and Safety requirements and insurance annually
Grounds Contract	Failure of contractor to meet the requirements of the contract	4	2	8	Medium	Clerk to regularly inspect site, during grass cutting season. Clerk to take up matters with Contractor as appropriate
Notice Boards	Risk of Damage	5	2	10	Medium	No formal inspection procedures are in place but any reports of damage or faults are reported to the Community Council and dealt with in accordance of the correct procedures of the Council.
Boules Court	Damage to boules court due to inappropriate use	3	1	3	Low	Clerk and Councillors to regularly inspect and report any concerns to Council
Meeting Venue	Adequacy Health and Safety	5	1	5	Low	The Community Council meetings are held in a venue considered to have appropriate facilities for the Clerk, Members of Council and the general public.
Consultations	Meeting of deadlines for response	3	4	12	High	Clerk to forward relevant details e.g. planning applications and other consultative documents falling in between normal monthly meetings, to Councillors advising for a response. Clerk to collate details and submit responses as required.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to Reduce/Minimise/Control Risk
Document Security	Important Council information held in hard copy and on computer is lost or damaged.	5	4	20	Very High	Important hard copy data is stored in Clerk's home Data held on computer is continually backed up on external drive. Clerk to consider obtaining a fire resistant cabinet and or investigate storage by electronic means Deposit historical records with County archives.
Financial Records	Financial Records are lost or damaged.	5	2	10	Medium	Financial records are audited annually. All transaction data and cash book are maintained on excel spreadsheet. All Files are held on computer and continually backed up on external drive
Minutes	Accurate and Legal	5	1	5	Low	Reviewed, signed and dated at following meeting.
Health and Safety Risk Assessment	Activities of the Council are not Risk Assessed. Arrangements are regularly monitored. Failure to identify	5	2	10	Medium	Full Council has responsibility for ensuring that risk assessments are prepared and regularly monitored
Disability Discrimination Issues	Failure to identify and implement adaptations	5	2	10	Medium	Attention is given to the needs of those with a disability such as access to the Parish Hall (for Council Meetings), provision of disabled toilets etc. Policy to be revised by the Clerk and adopted by the Council.
Code of Conduct	Adoption of Code of Conduct	5	3	15	High	Code of Conduct adopted by Council and implemented. All declarations to be completed using a designated pro-forma and the declaration of interests to be published on the Council's website.
Welsh Language Policy	The Council fails to comply with the ACT	4	3	12	High	Council is working to expand its communication arrangements through the medium of Welsh
Legal Claims	Claims are made in relation to Employment matters, and from members of the public	5	3	15	High	Council follows all expected standards of good employment practice. Public Liability and legal expenses insurance is in place.

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