



RISK MANAGEMENT POLICY AND STRATEGY

Policy Approved –April 2019

Policy Reviewed – Apr 2020 – no changes

Policy Reviewed November 2023 – Rewritten

POLICY STATEMENT

The 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 minimize uncertainty in achieving its goals and objectives, and to maximize the opportunities to achieve its vision.

The Parish Council is aware that some risks can never be eliminated fully so it has in place a strategy that provides a structured, systematic and focussed approach to managing risk which is an integral part of the Parish Council's management processes.

WHAT IS RISK MANAGEMENT AND WHY DO WE NEED IT?

The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the Parish Council's corporate governance arrangements. Risk management is not just about financial management, it is also about protecting the achievement of objectives set by the Parish Council to deliver high quality public services. Failure to manage risks can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The Parish Council generally, and members and staff individually are responsible for risk management.

THE CHIEF ELEMENTS OF RISK MANAGEMENT

Risk management is an ongoing activity made up of four chief elements: identifying risks, assessing the risks, addressing the risks (ensuring appropriate measures are in place to mitigate and manage risk) and reviewing and updating as necessary.

The Parish Council will identify the key risks to successful achievement of its priorities and service objectives. Typical categories of risk include the following (not an exhaustive list: financial, property, legal, IT, reputational and operations. The risks involved include loss, damage, law-breaking or being sued, failure or misuse, taking actions which could harm the Parish Council's reputation and failure to deliver services effectively, mal-functioning equipment, hazards to service users, general public or staff, risk of insurance claims, higher premiums and lengthy recovery processes.

The Parish Council will assess the potential consequences of risk occurring (the potential impact) and consider the likelihood of occurrences. This will be done using a risk assessment matrix (see Appendix). The list of risks will be incorporated into a comprehensive Risk Register or Schedule.

The Parish Council will take action to manage risk through external or internal controls in a way which can be justified to a level which is tolerable. Options for control include: toleration, treatment, transferral and termination. Risk can be tolerated where it is containable with appropriate contingency plans where possible controls might be disproportionate or are beyond control. In order that the Parish Council can continue to operate, it can impose controls and set up prevention techniques. It can also transfer risk to specialist external bodies such as insurance providers and auditors. The Parish Council will judge the necessity of stopping or not starting an activity which might be risky or whether no response could bring the risk to a tolerable level.

Once the key risks have been reviewed and assessed, and the findings recorded in the Risk Register or Schedule, the Parish Council will undertake an annual review of the Risk Management Policy and Strategy and record any new risks and measures to control them. The Risk Register or Schedule will also be reviewed and updated annually.. Feedback from the Internal and External Audits identifying areas for improvement and the sharing of best practice by the National Association of Local Councils and Hampshire Association of Local Councils will be taken into account.

ROLES AND RESPONSIBILITIES

The elected members of the Parish Council will consider, amend as necessary and approve the Risk Management Policy and Strategy and Risk Register or Schedule, and other risk-related documents such as the Annual Statement of Internal Control. If involved in major projects,

they will ensure adequate risk management. Elected members will also assess risks while setting the Budget, including any bids for resources.

The Parish Clerk, who is also the Responsible Finance Officer, is responsible for administrative support, taking action to implement council decisions accounting arrangements and financial control systems, and legal matters, including human resource issues (work-related illness or injury) and health and safety implications. The Clerk oversees the implementation of the detail of the Risk Management Policy. They must also assess and implement the Parish Council's insurance requirements, advise on budgetary planning and control and manage loans effectively.

The Internal Auditor carries 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. They assist the Parish Council in identifying both its financial and operational risks and assists the Parish Council to develop and carry out 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 recommendations help to shape the Annual Statement of Internal Control.

TRAINING

Where possible, Risk Management Training will be provided for elected members and staff so they have the necessary skills to identify, evaluate and control the risks associated with Parish Council services.

CONCLUSION

The adoption of a sound risk management approach assists in demonstrating that the Parish Council has in place policies and processes to manage its resources effectively and indicates a commitment to continuous service improvement and effective governance.

FREEDOM OF INFORMATION

The Freedom of Information Act 2000 requires the Parish Council to be posted on the Parish Council website www.southwonston-pc.gov.uk. Copies of the Risk Management Policy and Strategy and Risk Register or Schedule will be available for inspection at the Parish Council Office.

SOUTH WONSTON PARISH COUNCIL

RISK MANAGEMENT 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.

Purpose of Document

This document has been produced to enable the Parish 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 is developing 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.

Responsibility

South Wonston Parish Council is committed to identifying and managing risks using procedures and ensuring that risks are maintained at an acceptable level. Any action that is felt necessary to undertake to reduce risks will be done so by South Wonston Parish Council.

The Clerk, Responsible Finance Officer (RFO) and nominated Councillors will review risks on a regular basis, including any newly identified risks, and report regularly to the Parish Council. The review will include identification of any unacceptable levels of risk.

Members are ultimately responsible for risk management because risk threatens the achievements of policy objectives.

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.

MANAGEMENT				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance	L/M	All computer files are backed up on a regular basis onto an external hard drive. Paper records are more at risk, consideration should be given to risk of loss. Important documents should be scanned electronically or kept in secure storage. Deeds are held with solicitors. In the event of the clerk being indisposed the Chairman to contact HALC for advice/support. Loss of Key Man insurance in place with Aviva via Came & Co.	Review annually Assess ongoing to improve procedures. Ensure other procedures are followed
Meeting Location	Adequacy Health and Safety	L	Meetings are held in Parish Room which has available disabled access. Health & safety considered adequate.	Review bi-annually
Council records - paper	Loss through theft, fire, flood or other damage	L	Important documents should be scanned electronically or kept in secure storage. Deeds are held with solicitors. Older minutes are held electronically as well as manually and historical documents are archived in Clerk's office. Document Retention & Disposal Policy adopted September 2015. Last Reviewed November 2023	Likelihood is low Review bi-annually
Council records – Electronic	Loss through damage, fire, flood, corruption of data	L/M	Regular backup to external drive taken from office PC, Data is stored on an external hard drive taken home by Parish Clerk. Laptop is operated from this external drive. As part of Business Continuity there is a disaster recovery process	Consideration should be given to cloud based solutions Process to be created for Disaster Recovery

Staff	Loss of Parish Clerk	M	Locum Clerk can be appointed via the support of HALC or the internal auditor	Maintain annually
	Resignation & illness of Councillors	L	Unable to run a councillor meeting as not in quorate. Arrangements need to be made to cover this.	Maintain annually
	Fraud	L	Fidelity guarantee in place via insurance. Councillors carry out regular review of bank reconciliation and approved individual transactions at the Parish Council meeting.	Regular review
	Actions carried out	L	Regular reporting of actions completed and outstanding via action plan reports to council/committees. Staff to be adequately trained and review carried out via appraisal process.	Appraisal process

FINANCE				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Precept	Adequacy	M	Sound budgeting to underlie annual precept. The Parish Council regularly receives budget update. Existing procedure adequate information and detailed budgets in the late autumn. Backed by financial regulations. The precept is an agenda item at the January meeting. Reviewed by Internal audit	Existing procedure adequate
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L	Comprehensive review undertaken in October 2023 to ensure increased costs have been factored into the insurance schedule Fire, electrical safety and Burglar Alarm testing by Clerk & a Councillor plus annual maintenance. Fidelity Guarantee is the same for all Parish Councils with a precept of £108K.	3 year agreement expires 2024. Fire risk review
Banking	Inadequate procedures	L	Control identified in Financial Regulations, process via sign off by councillors, review by internal audit and bank statements regularly signed by the Chair.	Review via Financial Regulations annually
Cash	Loss via theft or dishonesty	L	Limited cash transactions. Income receipted and banked in accordance with financial regulations. No petty cash held.	Existing procedures adequate Review via Financial Regulations annually
Financial controls and records	Inadequate checks	L	Reconciliation checked by councillor and reported to Parish Council. Two signatories on cheques following sign off on invoices / payroll documentation. Internal and external audit cross check this. All payments must be clearly minuted. Any s137 payments recorded	Existing procedures adequate Review via Financial Regulations and internal controls annually
Salary	Incorrect payment or process	L	Use of HMRC Basic Payroll Tool in-house. Payroll records accompany payment for sign off by	Existing procedures adequate

			councillors.	Review via Financial Regulations and internal controls annually
VAT	Reclaim not processed	L	Reporting to Parish Council meeting via Transaction Report. Clerk to reclaim VAT quarterly.	Existing procedures adequate Checked by internal audit twice a year
Annual Return	Not submitted in time	L	Council aware of timing process by 30 th June, Annual return completed and signed by the council, submitted to the internal auditor for section completion. Checked and sent on to the external auditor	Existing procedures adequate

PROCEDURAL				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Freedom of Information	Non-compliance with Act	L M	The Council has a publication scheme for Local Councils in place reviewed in 2022. Limited number of requests for information to date. Regular reporting on requests received. Introduce documented procedure	Introduce documented procedure for dealing with requests. Monitor and report impact of requests made
Data Protection	Non-compliance with Act	L M	Registration made April 2015 Limited requests Introduce documented procedure	Interpret and implement the new data protection act 25/5/18 Introduce documented procedure for dealing with requests. Monitor and report impact of requests made

LIABILITY				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Legal Powers	Illegal activity or payments	L	All activities and payments made within the powers of the parish council, resolved and clearly minuted. Clerk to be trained.	Ongoing review
	Committees exceeding delegated authority	L	Establish Clear terms of reference, minutes to Council for approval	Annual review
	Working Groups taking decisions	L	Clear referencing, councillor training.	Annual Review
Minutes, Agendas and standing documents	Accuracy and legality	L	Minutes and agendas are produced in the prescribed method and adhere to legal requirements. Minutes are approved and signed off at the next meeting. Minutes and agendas are displayed according to legal requirements. Business conducted at the council is managed by the chairman with advice from a trained clerk Standing Orders & Financial Regulations based on NALC models	Review on regular basis
	Non Compliance with Statutory requirements			Chairman training Annual review
Public liability	Risk to third party property or individuals	M	Insurance is in place, risk assessments of individual events to be undertaken	Consider written risk assessments
Employers Liability	Non Compliance with legal requirement	L	Insurance in place. Ensure adequate training & procedures for councillors and Clerk	Employment law training
Legal Liability	Legality of activities	L	Clerk adequately trained and has access to advice via SSALC and SLCC membership	Maintain membership of SSALC/NALC and SLCC

COUNCILLOR PROPRIETY				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Code of Conduct	Non compliance	M	Adopted code 2021, Councillors given copy upon election/co-option. Clerk willing to give informal advice. Consider training for councillors.	Councillor training by Monitoring Officer
Members Interests	Conflict of interest Failure to register interests	M L	Agenda item on every meeting Councillors aware of duty and reminded regularly about requirements. Clerk willing to give informal advice.	Existing procedures adequate Annual review

ASSETS				
Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Asset Register	Assets not recorded	L	An asset register is established and presented to the Parish Council in March 2023 for review. Insurance is held at the appropriate level for all items. Regular checks are made on equipment by staff or members of the council.	Document checks in a more thorough way
Maintenance of assets	Poor maintenance leads to loss or injury Poor performance of assets or amenities. Loss of income or performance Risk to third parties	M	Improve maintenance schedule and recording Provide adequate budget Review insurance	Review and document