

SOUTH HEIGHTON PARISH COUNCIL RISK RESPONSE PLAN AND RISK REGISTER

Risk strategy and reporting

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.

A risk is an uncertain event or condition that, if it occurs, may impact the Parish Council's ability to achieve its objectives. Risk management is the process by which risks are identified, evaluated and managed.

The Council is aware that, although some risks can never be eliminated fully, it needs to have in place a strategy that provides a structured, systematic and focused approach to managing risk, which:

- Identifies the key risks facing the council
- Identifies the likelihood of the risk occurring
- Assesses the impact if the risk did occur
- Evaluates, and implements, the most appropriate method of addressing the risk
- Reviews, reports and revises procedures if required

The Parish Council completes a risk assessment on an annual basis each year as a minimum or more frequently should circumstances dictate. The risk assessment is completed by the Clerk and a Councillor and presented to full Council where it is signed by 2 Members of the Council.

Identification, Likelihood and Assessment

Once a risk has been identified, the following risk assessment matrix is used to evaluate its likelihood and impact should the risk occur. Each risk is then allocated a risk score which helps the Council when deciding which measures it should adopt to manage the risk.

Likelihood \ Impact	Negligible (I1)	Moderate (I2)	Severe (I3)
Unlikely to occur (L1)	Very Low	Low	Medium
Possibility of occurring (L2)	Low	Medium	High
Highly likely to occur (L3)	Medium	High	Very High

Risk Response and Reporting

After identification and assessment, an action plan is agreed to effectively manage each risk using the following techniques:

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| Prevention | Eliminate the risk by doing things differently thus removing the risk. |
| Reduction | Take action to reduce the likelihood of the risk developing or limit the impact to acceptable levels. |
| Acceptance | Tolerate the risk – if nothing can be done to mitigate the likelihood and the impact is at an acceptable level. |
| Transference | Pass the management of the risk to a third party, i.e. insurance policy or penalty clause. |

A risk log is maintained and monitored by the Clerk and reported annually to Councillors or when a new risk occurs or a risk level changes if this happens sooner.

RISK ASSESSMENT

Risk ID	Risk area	Risk description	Impact of occurrence	Likelihood Score	Impact Score	Risk Rating	Risk management plan, evidence and agreed improvements
R01	Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance including quarantine or self-isolation due to infectious disease.	Inability to pay invoices or proceed with Council business, reputational risk.	L1	I3	Medium	All files and recent records are kept at the Clerks home on the Parish Council laptop which is backed up on an immediate basis to the Parish Council's One Drive cloud-based storage which the Chairman has access to and is also backed up to an external hard drive on a weekly basis. In the event of a Business Continuity event, the Council will invoke its Business Continuity Plan. Payments and decisions required to ensure the continuity of critical services will be authorised as outlined under Financial Regulation 4.10. Evidence: Business Continuity Plan; Financial Regulation 4.10.
R02	Meeting location	Inadequacy of Health and Safety measures in place.	Inadequate Health and Safety measures could lead to personal injury.	L1	I3	Medium	Meetings are held in South Heighton Village Hall. The premises and facilities are maintained by the South Heighton Village Hall Management Committee (SHVHMC). Evidence: Correspondence confirming adequate measures are in place. Actions: Obtain confirmation of how the SHVHMC ensures compliance with Health and Safety. Locate an alternative meeting venue for contingency.
R03	Council Records	Loss through theft, fire, damage or unforeseen event.	Inability to respond to freedom of information requests. Potential liability regarding inability to produce historic evidence to support decisions made or future claims against the Council.	L1	I2	Low	All high-importance paper records produced or received are scanned in as accessible pdf files and stored in the Council's cloud-based storage. Any older paper documents will be stored at the Clerk's home.
R04	Assets	Inadequate protection of physical assets.	Cost of replacing damaged, destroyed or missing assets. Loss of facilities.	L1	I2	Low	The Parish Council holds buildings and contents insurance with a level of cover applicable to the total current value of all material assets held. Evidence: Current building and contents insurance schedule. Actions: Review annually or upon change of circumstances.

Risk ID	Risk area	Risk description	Impact of occurrence	Likelihood Score	Impact Score	Risk Rating	Risk management plan, evidence and agreed improvements
R05	Finance	Bank account not reconciled with working cashbook.	Cash flow problems. Increased potential for fraud.	L2	I2	Medium	Quarterly reconciliation of bank statements and working cashbook, reported to Council. Mandate kept up to date and reviewed annually. Evidence: Reconciled bank statements. Current bank mandate.
R06	Finance	Insufficient signatories to authorise payments.	Council is unable to make payments to suppliers and staff	L2	I3	High	Review bank mandate on an annual basis to ensure adequate signatories.
R07	Finance	Inadequate financial controls and records.	Lack of control over the Council's assets. Higher likelihood of fraud or misappropriation of assets. Ineffective reporting.	L1	I2	Low	Accounts and asset register prepared on appropriate computerised accounting system. Bank reconciliations undertaken on a regular basis. Expenditure payments approved by council. Minimum 2 council signatories on cheques. Evidence: Quarterly bank account reconciliation, signed by 2 signatories. Signed expenditure payments reports. Approved signatories on bank mandate. Up-to-date asset register.
R08	Finance	Loss through theft or dishonesty.	Reputational risk, adverse publicity, financial loss.	L1	I2	Low	The Council has no petty cash or float. Transactions are made or paid by cheque signed by 2 signatories. Evidence: Council cheque book and bank statements.
R09	Finance	Non-compliance with HMRC regulations.	Penalties and/or fines for late returns, errors on submissions etc. Reputational risk and adverse publicity.	L2	I2	Medium	Use external advice when necessary. Submit VAT return annually. Submit payroll end of year returns online, on time. Internal and external audit review. Evidence: VAT returns. Monthly payroll submission confirmations.
R10	Finance	No budget to support precept.	Council receives less funding than is required to meet its obligations and objectives.	L1	I3	Medium	Council prepares detailed budget in late Autumn. Precept determined directly from this budget. Actual expenditure versus budget reported to Council quarterly. Evidence: Quarterly budget statements presented to council, with minuted approval. Budget versus actual statements with minuted approval.
R11	Finance	Non-compliance with borrowing restrictions.	Council acting ultra vires.	L1	I2	Low	Justification for any additional borrowing fully reviewed and approved by Council. Evidence: Internal and external audit reviews.
R12	Liability	Risk to third party, property or individuals.	Funding cost of a successful action or	L1	I2	Low	Public liability insurance cover (£10M). Evidence: Current insurance policy.

Risk ID	Risk area	Risk description	Impact of occurrence	Likelihood Score	Impact Score	Risk Rating	Risk management plan, evidence and agreed improvements
			claim against the Council. Reputational risk.				
R13	Liability	Legal liability as a consequence of asset ownership (e.g. playground equipment, street lights, village green etc) or items on Council owned/leased land (trees).	Adverse publicity, potential injury/death Funding costs to defend action against council/court fees	L2	I3	High	Ensure appropriate insurance for all assets, staff, volunteers is in place. Maintain up-to-date risk assessment, asset register and adequate level of insurance. Evidence: Risk assessment, asset register, insurance policy.
R14	Employer Liability	Non-compliance with employment law.	Employee dissatisfaction and disputes, potentially leading to industrial tribunal.	L1	I2	Low	Relevant staff training and experience. Advice from relevant professional advisers and membership bodies e.g. SSALC/NALC training for members. Employers liability insurance. Evidence: Staff qualifications and training records. Memberships confirmation. Current Employers Liability insurance certificate.
R15	Legal liability	No legal power for council activities.	Potential reputational and financial risk.	L1	I2	Low	Parish Clerk clarifies the legal position on any new proposal put before the Council. Legal advice to be taken when necessary. Standing orders and financial regulations up to date and fully complied with. Evidence: Council minutes, standing orders and financial regulations. Actions: Review annually and Council to minute this (irrespective of any changes made).
R16	Legal liability	Untimely reporting of minutes.	Inappropriate or no actions undertaken. Reputational risk.	L1	I1	Very Low	Full council meets regularly and receives and approves minutes of meetings. Minutes made available to public via the Council website and physical noticeboards within 30 days of last meeting. Evidence: Council minutes (hard copy and via the web).
R17	Legal liability	Improper document control.	Loss of key data. Confidential data compromised. Council unable to function effectively.	L1	I3	Medium	Soft copies of all key documents (signed leases/contracts) are uploaded to secure cloud based storage. Laptop backed up to secure cloud storage on an immediate basis (i.e whenever a document is created or amended). Evidence: List of key documents and storage locations. Actions: Levels of 'paper documents' kept to a minimum.

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R18	CLLr Propriety	Registers of Interests, Gifts and Hospitality in place	Conflict of interest of Councillors'. Corruption.	L1	L2	Low	Register of Interest completed and reviewed annually. Gifts and Hospitality Register available. Evidence: Register of interest paper copy kept by clerk, copied to website and provided to LDC Electoral Services. Actions: Clerk to remind Councillors on annual basis.

Risk Assessment completed by: S Mills (Clerk)

Date completed: 2nd March 2020

Date considered by Council: 24th March 2020

Minute reference:

Due date for review: March 2021

To be signed by 2 Councillors following review by the Council:

Signed:

Signed:

Position:

Position:

Date:

Date: