

# Wexham Court Parish Council

## Risk Assessment and Management 2021

### (inc. Covid-19)

#### Introduction

Parish Council's should have in place a system to help it manage risk. This system needs to be simple for the smallest parishes and more complex for the larger parish and town councils. A council's internal auditor can use this risk management system to help identify what tests to carry out as part of the audit.

Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery. Most parish council clerk's will already be assessing and managing risks in some way or other, but there may be room to improve and document existing practices.

Parish council clerks are ultimately responsible for risk management because risks threaten a council's ability to achieve its objectives. They should therefore ensure that they:

- Identify key risks facing the council
- Evaluate the potential to the council of one of these risks taking place; and
- Agree measures to avoid, reduce or control the risk or its consequence.

Every council is different and there is no such thing as a standard list of risks. There are however a number of common themes that are likely to emerge. These might include:

- Physical assets – buildings, equipment, IT hardware etc
- Finance – banking, loss of income, petty cash etc
- Injury to the public – in playgrounds and recreation grounds, in village halls, at burial grounds etc
- Complying with legal requirements – agendas and minutes, burial records etc
- Councillor propriety – declarations of interests, gifts and hospitality etc

The clerk needs to consider each of the possible risks under each of the identified schemes. For example physical assets could be lost as a result of fire or flood, damaged by vandals, stolen or simply deteriorate through lack of maintenance. All these risks can be minimized or transferred by various means, such as taking out insurance, securing alarms or by regular inspection and maintenance. In addition to identifying risk it is a good idea to make a judgment about likelihood of the risk occurring and it's potential impact. Classification need be no more complicated than high, medium or low.

There are three main ways of managing risk:

- Take out insurance
- Work with another party to reduce the risk; or
- Manage the risk yourself

<b>RISK AREA</b>	<b>POTENTIAL RISK IDENTIFIED</b>	<b>LIKLIHOOD OF OCCURANCE</b>	<b>POTENTIAL IMPACT</b>	<b>STEPS TO MITIGATE RISK (CONTROL)</b>	<b>EVIDENCE</b>	<b>ACTION (AGREED IMPROVEMENTS)</b>
<b>Covid-19</b>						
Assets	Protection of physical assets (equipment, street furniture, playground equipment, etc)	Medium 3	Cost of replacing damaged, destroyed or missing assets. Loss of facilities.	Maintain Asset and Land Register; Resolve ownership; Regular maintenance of assets; Adequate level of insurance	Current insurance policy.	When applicable, determine cost of rebuilding main assets and update insurance policy. Bring Asset and Land Register to PC at least annually.
Assets	Security of buildings, equipment etc	Medium 3	Cost of replacing damaged, destroyed or missing assets. Facilities out of use for a period.	Council laptop covered by all risks insurance.  Regular external backup – Astley Computers Cloud Backup Service	Current insurance policy.	Review level and adequacy of insurance cover. Review effectiveness of backup system. Chair/vice chair to challenge regularity of backups.
Finance	Banking	Medium 3	Cash flow problems. Increased potential for fraud	Regular banking and reconciliation of statements. Mandate kept up to date. Internal Control Policy.	Reconciled bank statements. Current bank mandate.	Review bank mandate to ensure cheque signatories are up to date.
Finance	Risk of consequential loss of income	Low 1	Loss of key data.	Adequate level of insurance cover. Any important documents backed up, kept in locked filing cabinet.	Current insurance policy schedule. Data backup.	Review the need for consequential loss insurance cover. Storage of key documents when obtained should be in a fireproof lockable cabinet.
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Finance	Financial controls and records	Medium 3	Lack of control over the Council's assets. Higher likelihood of fraud or misappropriation of	Accounts and asset register prepared on appropriate computerised accounting system.	Monthly accounts statements. Bank reconciliation statements. Signed expenditure payments	Maintain asset register and reconcile to agreed insurance values. Update asset register

			assets. Ineffective reporting. Qualified internal and external audit reports.	Bank reconciliations undertaken on a regular basis. Expenditure payments approved by council. Minimum 2 council signatories on cheques.	reports. Approved signatories on bank mandate. Internal Control Policy.	for all future assets purchased.
Finance	Compliance with HMRC regulations	Medium 2	Penalties and/or fines for late returns, errors on submissions etc. Reputational risk and adverse publicity.	Use external advice when necessary. Submit initial VAT return when £100 reached then at least annually. Submit payroll end of year returns online, on time. Internal and external audit review.	Quarterly VAT returns and workings. Payroll submission confirmations.	Ensure VAT period in the accounts is fully closed off after preparing the VAT return.
Finance	Budgets supporting annual precept	Medium 2	Council receives less funding than is required to meet its obligations and objectives.	Council prepares detailed budget in late Autumn. Precept determined directly from this budget. Actual expenditure versus budget reported to Council every month.	Annual budget statements of council, with minuted approval. Budget versus actual statements with minuted approval.	Forecast Expenditure Reviews.
Finance	Compliance with borrowing restrictions	Low 1	Council acting outside its powers	Justification for any additional borrowing fully reviewed and approved by Council.	Internal and external audit reviews.	No borrowing being considered at present.
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Liability	Risk to third party, property or individuals	Medium 3	Funding cost of a successful action or	Public liability insurance cover (£10M).	Current insurance policy.	

			claim against the Council. Reputational risk.			
Liability	Legal liability as a consequence of asset ownership (e.g. play grounds, community centres, public open spaces, etc)	Medium 3	Funding cost of a successful action or claim against the Council. Reputational risk.	Adequate Insurance; clarify land ownership responsibility	Current insurance policy.	
Employer Liability	Non-compliance with employment law	Medium 3	Employee dissatisfaction and disputes, potentially leading to industrial tribunal.	Employer Liability Insurance cover. Relevant staff training and experience. Advice from relevant professional advisers and membership bodies e.g. LRALC Code of Conduct training for members	Staff qualifications and training records. Membership confirmation. Contractual arrangements with professional advisers.	Councillors to be regularly reminded of training opportunities through LRALC
Employer Liability	Non-compliance with HMRC requirements	Medium 3	Fines and penalties for late returns, errors etc. HMRC investigations.	Relevant staff training and experience. Advice from HMRC as required. Internal and external audit reviews.	Records of HMRC returns and submissions.	Monthly submission of tax and NI on RTI
Employer Liability	Safety of staff and visitors and volunteers	Low 1	Funding cost of a successful action or claim against the Council. Reputational risk.	Adequate insurance. Full risk assessment.	Current insurance policy	
Legal liability	Ensuring activities are within legal powers	Low 1	Potential reputational and financial risk.	Parish Clerk clarifies the legal position on any new proposal put before the Council. Legal advice to be taken when necessary.	Council minutes.	Clerk should regularly assess any new activities to ensure that they are "within powers"

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Legal liability	Accurate and timely reporting via the minutes	Medium 3	Inappropriate or no actions undertaken. Reputational risk. Non compliance with the Freedom of Information Act	Full council meets regularly and receives and approves minutes of meetings. Minutes made available to public via the Council website.	Council minutes (hard copy and via the web)	Include details of budget and precept on website
Health & Safety	Failure to comply with legislation	Medium 3	Non-compliance with legislation. Action or claim against the council. Reputational risk	Relationship with NWLDC for appropriate advice. Membership of local and national bodies such as LRALC, NALC and SLCC. Checklists and risk assessments of safety related activities are provided and maintained. Training of staff	Seek advice and support from a third party/ies	Checklists and risk assessments of safety related activities are provided and maintained and recorded in the minutes. Training records maintained.
Health & Safety	Failure to comply with Covid-19 legislation	Medium 3	Non-compliance with legislation. Action or claim taken against the council. Reputational risk.	Keep abreast of the legislation. Council meetings via Zoom. Ensure staff, volunteers and contractors have an up to date policy in place.	Notices on play park entrances/social media/website with guidelines. Obtain and keep policies from external businesses.	See left.
Legal liability	Proper document control	Medium 2	Loss of key data. Confidential data compromised. Council unable to function effectively	Any key legal documents kept in locked cabinet at Clerks home. Computer backed up daily to the Cloud provided by Astley Computers	Schedule of any documents contained in locked cabinet.	Where possible identify missing statutory documents (eg employers liability, minutes)
Cllr Propriety	Registers of Interests, Gifts and Hospitality in place	Low 1	Conflict of interest of councillors'. Corruption	Register of Interest completed and reviewed annually.		

				Gifts and Hospitality Register available.		
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**Approved by council – October 2021**