



RISK MANAGEMENT POLICY

DOCUMENT HISTORY

Reason

CiLCA training identified the absence of a Risk Policy. Constructed based on the SLCC Model Risk Management Strategy (@ Society of Local Council Clerks, 2019), the Joint Panel on Accountability & Governance Practitioners' Guide 2022 and the previous Risk Assessment and Schedule

Annual Review

NEXT REVIEW

Date

February 2023

May 2023

May 2024

1. Policy Statement¹

1.1 Freethorpe 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 minimise uncertainty in achieving its aims and objectives and to maximise the opportunities to achieve its vision.

1.2 The Parish Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

1.3 Risk management is an integral part of Freethorpe Parish Council's management processes.

¹ SLCC Model Risk Management Strategy section 4.

2. Risk Management Strategy

2.1 “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.” Audit Commission, Worth the Risk: Improving Risk Management in Local Government, (2001:5)²

2.2 Risk management involves the identification, assessment, and addressing of risks. Freethorpe Parish Council is committed to identification and assessment of the risks facing the council and taking appropriate steps to manage those risks. These include the introduction of internal controls and/or insurance cover where required.

2.3 The objectives of risk management at Freethorpe Parish Council are to:

- Integrate risk management into the culture of the council
- Manage risk in accordance with best practice and legislative requirements
- Minimise loss, disruption, injury and damages
- Inform policy and operational decisions by identifying risks and their likely impact

2.4 These objectives will be achieved by:

- Considering risk, by review of this policy, at least annually
- Incorporating risk management considerations into council processes
- Identifying risks
- Assessing risks with risk assessments
- Recording controls and mitigations
- Putting in place the insurance policies necessary to mitigate financial risks
- Managing the risk and recording actions
- Communicating risks and risk management actions

² SLCC Model Risk Management Strategy section 2.1.

3. Roles and Responsibilities

3.1 Freethorpe Parish Council is responsible for risk management.

3.2 Parish Councillors are responsible for leading and monitoring the approach adopted, including:

- Approval of Risk Management Policy
- Analysis of key risks on projects
- Consideration and endorsement of the Annual Governance Statement
- Assessment of risks whilst setting the budget
- Remaining alert to risk implications.

3.3 The Clerk is responsible for

- Providing advice on legality of policies
- Providing advice on the implications of services
- Updating Parish Council on the implications of legislative changes
- Assessing and implementing appropriate insurance policies
- Maintaining the risk register
- Undertaking his or her job within risk management guidelines
- Maintaining awareness of the impact and costs of risks
- Controlling risks.

3.4 Internal Audit is responsible for

- Providing independent assurance that the necessary risk management systems, controls and insurance are in place and operated effectively.

4. Risk Register

4.1 The risk register enables Freethorpe Parish Council to assess the risks that it faces and confirm that it has taken appropriate steps to manage those risks.

4.2 The Risk Register is structured as follows:

1. Administration Risks
2. Finance Risks
3. Property & Assets Risks
4. Legal & Compliance Risks
5. Reputational Risks
6. Schedule of Controls

4.3 The risk level in the Risk Register is an assessment of **Low**, **Medium** or **High**. This is based on a combination of the potential consequence of the risk occurring (impact) and how likely this is (likelihood).

4.4 The control option categories used in the Risk Register are as follows. They describe the status of the risk with the control measures in place:

Eliminate	What causes the risk is removed so that the risk no longer exists
Reduce	Measures are introduced to reduce the impact or likelihood
Transfer	The impact is passed to others, e.g. in contract terms
Share	The risk is shared with another party
Insure	Against some or all of the risk to mitigate financial impact
Accept	Where the risk is accepted as it is

RISK REGISTER SECTION 1 ADMINISTRATION

REF	Subject	Risk(s) Identified	LEVEL	Control Measures	CONTROL OPTION
A.1	Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance	L	All files and recent records are kept at the Parish Clerk's home and on their computer. The Council's files are held on OneDrive. In the event of the clerk being indisposed the Chairman to contact Norfolk ALC for advice. Standing Orders reviewed June 2020 to consider including procedures for delegation to the Clerk in consultation with the Chairman and Vice Chairman in the event of a complete shutdown of the Council's ability to operate.	Reduce
A.2	Meeting location	Inadequacy of Health and Safety	L	Meetings are held in the Village Hall in Freethorpe or by remote access where legislation allows and circumstances dictate. The premises and facilities are considered to be adequate for the Clerk, Councillors and any public who attend from a health and safety and comfort aspect.	Accept
A.3	Council Records	Loss through theft, fire, damage	L	Papers, both current and archived held at the Parish Clerks home in safe keeping, or archived at Norfolk Archives.	Accept
A.4	Council Records electronic	Loss through damage, fire, corruption of computer	M	The Parish Council's electronic records are stored on the Council's OneDrive. Backed up to memory stick.	Accept
A.5	Clerk	Loss of Clerk	M	In the event of the clerk resigning suitable replacement will be appointed. Clerk should be provided with relevant training, reference books, access to assistance and legal advice obtained from Norfolk ALC.	Reduce
A.6	<i>Data misuse</i>	<i>Data misuse or fraudulent access to data or sensitive data</i>	L	<i>Awareness and application of Data Protection Policy</i>	<i>Reduce</i>

A.7	Data loss	Exposure of sensitive data and subsequent ICO follow-up	L	Awareness and application of Data Protection Policy	Reduce
A.8	Personal accident	Employee or volunteer sustaining injury in the course of their duties	L	Personal accident cover with ANSVAR Up to £25,000 (2022-23)	Insure

RISK REGISTER SECTION 2 FINANCE

REF	Subject	Risk(s) Identified	LEVEL	Control Measures	CONTROL OPTION
F.1	Precept	Inadequacy of precept	L	Sound budgeting to underlie annual precept. The Parish Council receives monthly financial statements and precept for next year drafted in November and budget figures agreed at Parish Council January meeting.	Reduce
F.2	Insurance	Inadequacy	L	An annual review is undertaken of all insurance arrangements in place. Budget to accommodate increases. Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement.	Insure
F.3	Banking	Inadequate checks	L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. Quarterly finance checks. Annual Internal Audit.	Reduce
F.4	Cash	Loss through theft or dishonesty	L	The Council has no petty cash or cash float.	Eliminate
F.5	Financial controls and records	Inadequate checks	L	Reconciliation of bank accounts carried out as received/required, prepared by RFO and internal checks carried out by a Parish Councillor. Two signatories on cheques and cheque stubs, or releasing electronic payments. Annual Internal and external audit/compliance with Transparency Code. Any financial obligation must be resolved and clearly minuted before any commitment. All payments must be resolved and clearly minuted. Any S137 payments must be recorded at time of approval. Appoint a Parish Councillor to review bank statements and bank reconciliation quarterly	Reduce

F.6	Freedom of Information Act	Lack of policy provision	L M	The Council has a model publication scheme for Local Councils in place. If a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take over 15 hours. However the request can be resubmitted, broken down into sections, thus negating the payment of a fee. Monitor and report any impacts made under Freedom of Information Act.	Reduce.
F.8	Salary error	Salary paid incorrectly	L	Parish Council Internal Audit will check this	Reduce
F.9	Election Costs	Risk of election cost	M	Risk is higher in an election year. There are no measures, which can be adopted to minimise risk of having a contested election. To meet the costs through appropriate budgeting for the precept/from Parish Council reserves.	Accept
F.10	VAT	Incorrectly reclaimed	L	The Council has financial regulations which set out the requirements.	Reduce
F.11	<i>Fidelity</i>	<i>Loss or fraud due to employee dishonesty</i>	<i>L</i>	<i>Fidelity Cover with ANSVAR for £25,000 (2022-23)</i>	<i>Insure</i>

RISK REGISTER SECTION 3 PROPERTY & ASSETS

REF	Subject	Risk(s) Identified	LEVEL	Control Measures	CONTROL OPTION
P.1	Seats Village Sign Village pump & clock	Loss, damage or injury	L	An asset register is kept up to date and insurance is held at the appropriate - level for all items. Both reviewed annually. Quarterly checks are made on assets of the Parish Council. EMERGENCY WORKS carried out up to £500 with approval by three Parish Councillors	Insure & reduce
P.2	Play Equipment	Loss, damage or Injury	L	An asset register is maintained and insurance held at an appropriate level. Reviewed annually. The Clerk has been trained and undertakes a monthly inspection. Undertake an operational inspection on a quarterly basis by a trained, independent operator. Annual RoSPA inspection carried out, report reviewed and action taken as required. Regime for annual, quarterly and monthly inspections is in place. Ensure records are maintained.	Insure & reduce

P.3	Wickhampton Pond	<p>Risks identified:</p> <ul style="list-style-type: none"> - Drowning or water injury - Health problems from water-borne diseases - Accidents with vehicles coming off the road into the pond - Inappropriate access to the neighbouring garden due to deterioration of the hedge 	L	<ol style="list-style-type: none"> 1. Register land and obtain expert advice on pond restoration and maintenance. 2. Consider fencing or hedging between pond and neighbouring garden 3. Consider fencing, hedging or low posts with reflectors between the pond and the road. 4. Add signs to keep away from the water, warning of the dangers. 5. Consider regular recorded safety checks 6. Do not take steps to add water to the pond without the above mitigations having been considered and put in place as required. 	Insure & reduce
P.4	Village Hall & Playing Field	Loss, damage or injury	L	<p><i>Managed and insured by the Village Hall Trustees, including:</i></p> <ul style="list-style-type: none"> • Buildings £1.8m • Playing surface and play equipment £131k • Flood lights £39k • Alarm £6k • Contents £36k • Asbestos removal £50k • Employers liability £10m • Public liability £10m • Product liability £10m • Environment liability £1m 	Insure & reduce
P.5	Dangerous building on private land	Risk of injury to the public	L	<p><i>Responsibility of the owner, not the Parish Council. However, in the event of the owner's absence, Norfolk County Council Highways may need to be called on the main Customer Services number for emergency measures to protect people using the highway. In some situations, it may also be necessary to call Broadland Building Control enquiries@cncbuildingcontrol.gov.uk or 0808 168 5041</i></p>	Accept

RISK REGISTER SECTION 4 LEGAL & COMPLIANCE

REF	Subject	Risk(s) Identified	LEVEL	Control Measures	CONTROL OPTION
L.1	Legal Powers	Illegal activity or payments Working Parties taking decisions	L	All activity and payments made within the powers of the Parish Council (not ultra vires) and to be resolved and clearly minuted. Ensure established with clear terms of reference.	Reduce
L.2	Minutes/ Agendas/ Statutory documents	Inaccurate or non-compliant with statutory requirements	L	Minutes and agendas are produced in the prescribed method and adhere to legal requirements. Minutes are approved and signed at next meeting. Using the Parish Noticeboard and web site, minutes and agendas are displayed according to legal requirements. Undertake adequate training.	Reduce
L.3	Public Liability	Damage to third party property or individuals	M	Insurance is in place with ANSVAR for £10m (2022-23). Risk assessment of any individual event undertaken	Insure
L.4	Employer Liability	Insurance policy adequate	L	Insurance is in place with ANSVAR for £10m (2022-23). Parish Council reviews the policy annually.	Insure
L.5	Legal Expenses	Legal defence costs	L	Insurance is in place with ANSVAR for £250,000 (2022-23)	Insure
F.6	Annual return	Not submitted within time limits	L	Annual Governance & Accountability return to be prepared within statutory timeframes (normally by the end of June), then is completed and signed by the Council and prepared in accordance with the audit requirements (including the Transparency Code for Smaller Authorities where relevant).	Reduce

<i>F.7</i>	<i>Employment Law & HMRC</i>	<i>Requirements of employment law not met or failure to apply tax or pay over correctly resulting in fines</i>	<i>L</i>	<i>Use HMRC Basic Payroll. Standing Orders and Financial Regulations and Clerk Contract of Employment define employment conditions.</i>	<i>Reduce</i>
<i>F.8</i>	<i>Grants</i>	<i>Grants received may not be spent legally in compliance with conditions.</i>	<i>L</i>	<i>Engagement with District Council or other grant awarding body. Ensure that legislative implications are documented. Internal Audit checks.</i>	<i>Reduce</i>
<i>F.9</i>	<i>Donations</i>	<i>Donations made to local organisations may be against the law</i>	<i>L</i>	<i>Ensure that legislative constraints are understood and documented. Internal Audit checks.</i>	<i>Reduce</i>

RISK REGISTER SECTION 5 REPUTATIONAL

REF	Subject	Risk(s) Identified	LEVEL	Control Measures	CONTROL OPTION
R.1	Members Interests	Conflict of interest	M/L	Councillors have a duty to declare any interest at the start of the meeting. Register of Members Interests form to be reviewed regularly. Members to take responsibility to update their register.	Reduce
R.2	<i>Inappropriate conduct</i>	<i>Hurt or reputational damage caused by inappropriate behaviour</i>	<i>L</i>	<i>Code of Conduct has been adopted and signed up to, so that obligations are clearly set out. Join Civility and Respect project.</i>	<i>Reduce</i>
R.3	<i>Libel and slander</i>	<i>Action taken against Parish Council</i>	<i>L</i>	<i>Libel and Slander Liability with ANSVAR £100,000 (2022-23)</i>	<i>Insure</i>
R.4	<i>Officials liability</i>	<i>Claim against Parish Councillors for wrongful acts in performance of their office</i>	<i>L</i>	<i>Trustee and Director indemnity with ANSVAR £1m (2022-23)</i>	<i>Insure</i>
R.5	<i>PR crisis</i>	<i>Need to pay for expert PR support to counter adverse press coverage</i>	<i>L</i>	<i>PR crisis insurance with ANSVAR £5,000 (2022-23)</i>	<i>Insure</i>

RISK REGISTER SECTION 6 SCHEDULE OF CONTROLS

ITEM	FREQUENCY	LAST REVIEWED	COMMENTS/ACTIONS
Parish Council Insurance Including Public and Employers Liability Money and Fidelity Guarantee Personal Accident	Annually	June 2023	Adequate
Assets inspection	Quarterly	December 2023	Adequate
Play equipment inspection	Monthly inspection Quarterly operational Annual full inspection	December 2023	The inspections are transparent and information is available at every Parish Council meeting.

Financial Matters	Annually	March 2023 / ongoing	Adequate. Review of policies and regulations May 2023.
Banking Arrangements Insurance Providers	Annually		
VAT return completed	Annually		
Budget agreed, monitored and reported	Annually		
Precept requested:	Annually		
Payments approval procedure	Monthly		
Bank reconciliation	As rec'd		
Clerk's salary reviewed and documented	Annually		
Internal finance check carried out by PCIIr	At least Annually		
Internal audit by appointed person	Annually		
External audit	Annually		
Internal check of financial procedures/compliance with Transparency Code	Annually		
Administration		May 2023	
Minutes properly numbered	Annually		
Asset register available/updated	Annually		
Financial Regulations reviewed	Annually		
Standing orders reviewed	Annually		
Employers Responsibilities		Ongoing	Adequate
Employees Indemnity Insurance policy	Received		
Written arrangements with employees	Received		
Members' responsibilities		Ongoing	Adequate
Code of Conduct adopted	Received		
Register of Interests completed and updated	Received		