

DOWNLEY PARISH COUNCIL

RISK MANAGEMENT POLICY

Risk management is a process whereby local councils methodically address the risks associated with what they do and the services they provide. The objective of risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences.

Risk management is not just about financial management; it is about achieving the objectives of the organisation to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and the ability to achieve desired targets.

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, members should at least once each year:

- Take steps to identify and update key risks facing the Council
- Evaluate the potential consequences to the Council if an event identified as a risk takes place; and
- Decide upon appropriate measures to avoid, reduce or control the risk of its consequences.

Some risks can be managed by taking out insurance. The majority need to be managed by the Council itself either with or without the help of third parties.

	Identified Risk and Consequences of Failure	Level of Risk	Preventative Action Required
1.	Loss or damage of physical assets owned by the Council and listed on the Fixed Asset Schedule resulting in financial loss.	High	Ensure the asset list is up to date and is covered by the schedule within the insurance policy.
2.	Damage to third party property or individuals as a consequence of the Council providing services or amenities to the public that could result in claims against the Council.	Medium	Ensure public liability insurance is adequate. Ensure all contractors working for the Council have appropriate public liability insurance in place. Ensure that all requirements of the insurance policy such as maintenance or independent inspection are met.
3.	The risk consequential loss of income or the need to provide essential services following critical damage, loss, or non-performance by a third party resulting in financial loss.	Low	Ensure that conditions of use of assets are appropriate. Ensure that the insurance policy covers consequential loss.
4.	Financial loss through theft or dishonesty.	Medium	Ensure that fidelity guarantee insurance is in place. Ensure that

			proper procedures on cash handling and payment authorisation are in place.
5.	Legal liability arising as a consequence of asset ownership resulting in claims against the Council and financial loss.	Medium	Ensure that public liability insurance is in place.
6.	Failure of insurance company or bank.	Low	Ensure only major providers are used, take advice from the government and NALC.
7.	Failure of insurance policy to cover all insurable risks.	Medium	Ensure that annual review of risks is carried out and the insurance cover is reviewed regularly.
8.	Lack of maintenance carried out on physical assets resulting in excessive repair costs.	High	Ensure that regular inspections are carried out of all Parish Council assets such as noticeboards and benches. Ensure that regular independent inspections are carried out on electrical and fire safety equipment.
9.	Poor quality of goods and services supplied by contractors resulting in inferior products and value for money.	Medium	Ensure strict adherence to Financial Regulations and Standing Orders for the award of contracts. Ensure that these decisions and payments to contractors are properly minuted.
10.	Not keeping proper financial records in accordance with statutory requirements resulting in lack of integrity and possible financial loss.	Low	Ensure details of all transactions and payments are provided to Councillors and the approval is minuted. Ensure that monthly reports are provided and inspected by Councillors and internal auditor.
11.	Unauthorised payments made resulting in financial loss and liability to prosecution.	Low	Ensure that all payments are authorised by two signatories and that full supporting documentation is provided and initialed.
12.	Unlawful expenditure incurred resulting in financial loss and possible prosecution.	Low	Ensure that all expenditure is lawful.
13.	Not complying with HMRC requirements for employee	Low	Ensure the annual return to Inland Revenue is made. Ensure statutory payments of national insurance

	payments resulting in financial loss and possible prosecution.		contributions and statements relating to employee tax liabilities are made. This is included in the annual internal audit.
14.	VAT recovery not complete resulting in financial loss and possible prosecution.	Low	Ensure six monthly returns are made and that VAT is identified in all relevant transactions.
15.	Not providing adequate funds resulting in inability to carry out functions or provide services.	Low	Ensure the budget process is carried out correctly and the proper precept is raised. Ensure the financial reports show the trends for income and expenditure are provided and appropriate action taken. Ensure that costs for Elections and Parish Polls are anticipated.
16.	Not using Section 137 funds properly resulting in monies possibly being reclaimed at audit.	Low	Ensure that grants or other payments are only made complying with Section 137 of the Local Government Act 1972.
17.	Incorrect minutes of meetings resulting in unreliable decisions being made.	Low	Ensure minutes are produced and circulated in draft for Councillors to review prior to the meeting. Ensure the minutes are approved and signed at Parish Council meetings. When meetings are held virtually the Clerk will arrange a suitable time for the Chairman to come into the office to sign the minutes. Ensure the minutes are printed in hard copy and fixed into the minute book and the pages numbered.
18.	Failure to Comply with Freedom of Information Act resulting in potential penalties on the Council.	Low	Ensure that Freedom of Information Scheme is provided on website. Ensure that appointments are available for members of the public to come and inspect documents. Residents should contact the Clerk to confirm the latest guidance and whether a visit is safe or complies with the law.
19.	Not meeting the timetable laid down for responding to consultations resulting in the	Low	Ensure that all invitations to respond to consultations are reported to the Council and that the

	Councils views not being considered.		Council are advised on the correct format for response.
20.	Not properly recording members interests, gifts or hospitality exceeding £25 which could result in improper decisions being made or a Code of Conduct complaint.	Low	Ensure that declarations are confirmed at the Annual Meeting of the Parish Council. Ensure that Councillors are asked to update the register of interests at each meeting. Ensure that a register of gifts and hospitality is maintained and reported at the Annual Meeting of the Parish Council.
21.	Documents not being controlled or lost or other forms of communication not being recorded could result in failure to act or acting incorrectly on issues.	Low	Ensure that proper procedures are in place for the recording of incoming mail, emails, telephone messages or visits in person to the Parish Office. Ensure that all files held on a computer are regularly backed-up.
22.	Enquiries from the public not being passed onto Councillors could result in action being taken against the Council.	Medium	Ensure that all enquiries are recorded by the Clerk and referred to Council where necessary.
23.	Failure to adhere to Standing Orders or improper conduct in meetings could result in invalid decisions being made.	Low	Ensure the Chairman, Clerk and members conduct meetings in accordance with Standing Orders which are reviewed annually.
24.	Failure to comply with health and safety requirements could result in accidents, claims against the Council and prosecutions.	High	Ensure the Council Health and Safety policy is observed, and records maintained. All policies are reviewed at least annually and more frequently if needed.
25.	Failure to comply with the Human Resources Policies and Employment Law which can result in loss of staff or an employment tribunal resulting in financial loss to the Parish.	High	Ensure all policies are kept up to date and they are followed when dealing with any HR issues.

CHAIRMAN.....

DATE.....

Adopted by Council 13 April 2021