

Cutcombe Parish Council Risk Management Policy and Risk Register

Adopted 15/10/2024 Minute Item 24/148

What is Risk Management?

Risk is a threat that an event or action will adversely affect the council's ability to achieve its objectives, implement its strategies and provide its services. Risk management is the process by which risks are identified, evaluated, addressed and reviewed. The council recognises that it has a responsibility to take all reasonable and practical measures to safeguard its employees, the people it works with and provides services for and to protect the natural and built environments for which it is responsible.

The council is aware that some risks cannot be eliminated fully and has in place a strategy that provides a structured, systematic and focused approach to managing risk and including where necessary, the introduction of internal controls and or/appropriate use of insurance cover.

The objectives of the risk management policy 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

The objectives will be achieved by:

- Identification of risks.
- Undertaking risk assessments.
- Manage the risk and recording actions.
- Incorporating risk management considerations into council processes.
- Providing appropriate training.
- Establishing clear roles and responsibilities.

The Risk Register

The risk register enables the parish council to assess the risks that it faces and confirm that it has taken appropriate steps to manage those risks.

The council has broken the risks into four areas:

- Governance
- Finance
- Health & Safety
- Data/Documents

The risks are identified, described and evaluated according to how likely it is for the risk to occur (likelihood) and how severe the potential consequence of the risk is (Severity) i.e. high, medium or low risk.

The risks are identified, assessed and recorded on the following risk register and will be reviewed by the council not less than annually.

Likelihood		Severity	
Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
Medium	Likely to occur within the next ten years	Medium	Some public censure or small impact on reserves (<10%), no legal challenge
High	Likely to occur within the next two years	High	Impact on reserves of > 10% or legal challenge or severe public censure

	Low	Medium	High	
Severity				High
				Medium
				Low
	Likelihood			

GOVERNANCE							
Ref	Risk	Hazard/Consequence	Current Risk Rating			Current Control Measures	Review/Potential Further Action
			L	S	RAG		
1	Inability to attract Councillors in the event of a vacancy.	PC may lack proper representation and be unable to lawfully conduct its business.	L	L		Good local network to engage with the community and there has been strong interest in previous vacancies.	Use Noticeboards, website and social media to advertise vacancies.
2	Councillors fail to adhere to the code of conduct/standing orders/terms of reference.	Reputational damage to Cllr, may bring PC into disrepute.	L	M		Register of interests are amended throughout the year as necessary. Request for declarations of interests is made at all meetings. Annual review of all standing orders and terms of reference. Monitoring officer handles complaints of impropriety in office.	All Cllrs can attend training on the code of conduct, standing orders and terms of reference plus other critical aspects of their role. Cllrs to do self-assessment to determine tailored training needs.
3	Activities fall outside of legal powers.	Risk of fines, censure and reputational damage, potential for legal action or liability claims.	L	H		Training for Cllrs and Clerk of PC's powers and duties. Expert advice to be sought by the Clerk prior to the commencement of any new ventures or grants.	Councillors to undertake training on powers and duties. It was recently agreed for the Clerk to attend CILCA training which would gain the PC the general power of competence.
4	Insufficiently trained staff. Clerk fails to perform duties to the standard required.	Mistakes/omissions are made, the PC could inadvertently act unlawfully.	L	M		Recruitment process assesses the competency of the appointee. PC pays for training for the Clerk/RFO, including membership of SALC, SLCC. Yearly inspection and comments from the auditor.	

5	Inability to recruit Clerk/RFO in the event of a vacancy or unanticipated absence of Clerk	The PC is unable to conduct its full business due to resourcing issues/lack of access to PC records	L	L		Consider advertising more widely. Cllr may be able to step in to cover Clerk's role on a voluntary basis. Approach other local Clerks/SALC to see if they can provide temporary assistance.	Consider training a Cllr to step in on a temporary voluntary basis in an emergency.
6	The PC fails to comply with employment law	Challenge from Clerk/RFO. Employment tribunal could result in compensation and reputational damage. Regulatory action/fines from HMRC, Pension Regulator or other bodies	L	H		Provide relevant training opportunities to Clerk.	Cllrs to consider training so they understand PC's legal duties as an employer. See Ref 2. Any HR matters will be included in FRWG meetings.
7	Policies and standing orders become out of date and not understood or applied by Cllrs.	Lack of clarity about roles and remit, failure to achieve the necessary standards of compliance and practice.	L	L		PC reviews policies and standing orders annually.	Put review dates on policies, standing orders etc.
8	Failure to provide proper, timely and accurate reporting of council business in the minutes.	Reputational damage, complaints from parishioners, censure by auditors.	L	L		The minutes are audio recorded. Draft minutes are published as soon as possible straight after the meeting and reviewed by council/committee at the following meeting. Minutes are properly numbered. Signed minutes kept by the Clerk.	
9	Lack of forward planning and budgetary controls	Lack of direction and prioritisation, insufficient funds to cover spend.	L	M		Budget in operation. Quarterly outturns reviewed by PC.	
10	Councillors lack relevant skills and commitment	Council fails to achieve its purpose. Decision making bypasses council. Poor value for Precept money.	L	L		Cllrs can attend training provided by SALC and are provided with the Good Councillor Guide.	

Likelihood		Severity	
Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
Medium	Likely to occur within the next ten years	Medium	Some public censure or small impact on reserves (<10%), no legal challenge
High	Likely to occur within the next two years	High	Impact on reserves of > 10% or legal challenge or severe public censure

	Low	Medium	High	
Severity				High
				Medium
				Low
	Likelihood			

FINANCE							
Ref	Risk	Hazard/Consequence	Current Risk Rating			Current Control Measures	Potential Further Action. When and by Whom
			L	S	RAG		
1	Problems with the bank mandate and statements/customer service means there is insufficient transparency and control over finances.	RFO is unable to monitor finances adequately and take corrective action. PC is unable to control its funds.	L	L		Regular scrutiny of statements and reconciliations by FRWG and PC. Quarterly financial reports provided to full council. Banking is done online with all Cllrs being a signatory. All invoices are checked and signed by two Cllrs at each PC meeting.	
2	Inadequate control of PC's finances	Revenues are not maximised, payments are outside of powers and may need to be revoked or recovered, internal controls are breached, financial loss creating loss of reputation.	L	H		RFO appointed to manage funds under scrutiny of PC. Regular scrutiny of statements and reconciliations for FRWG. Quarterly financial reports provided to full council. Internal auditor provides annual review of activities. Financial regulations in place and up to date. Irregular or unusual payments to be minuted noting legal power indicated. Schedule of Payments reviewed at each PC meeting. VAT protocol to	Risk assessment reviewed by FRWG and PC at least each year. Consider putting together a policy on internal controls.

						ensure reclaims are made on a regular basis.	
3	Risk of Fraud or theft	Loss of funds, reputational damage, unwelcome increases to precept to restore liquidity.	L	H		Regular scrutiny of statements and reconciliations by FRWG and PC. Quarterly financial reports provided to full council. Internal auditor provides annual review of activities. Financial Regulations establish procedures to be followed. Council accepts the risk of single individuals collecting toilet donations.	Consider putting together a policy on internal controls.
4	Reserves exceed permitted levels.	Reputational damage, complaints from parishioners, censure by auditors.	L	M		FRWG reviews and makes recommendations to the full council on a regular basis. PC agrees designated reserves during the budget/precept setting process.	
5	Inland revenue requirements are not complied with.	Fines, reputational damage.	L	M		PC registered as an employer on HMRC software. Clerk lists on the schedule of payment monies due to HMRC which is checked by the council at each meeting. Internal auditor scrutinises payments during the annual review.	
6	Inadequate reserves to cover possible expenditure	Reputational damage, complaints from parishioners, censure by auditors	L	M		Reserves are considered at the time of budget setting and included on schedule of payments at each PC meeting.	
7	Inadequate precept. Failure to ensure the adequacy of the annual precept is within sound budgeting arrangements.	Reputational damage. Insufficient funds for contingencies. Inability to carry out functions.	L	M		FRWG reviews and makes recommendations to PC for the Precept. Quarterly budget outturns are supplied to the FRWG and PC. Yearly inspection and comments from the auditor.	

Likelihood		Severity	
Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
Medium	Likely to occur within the next ten years	Medium	Some public censure or small impact on reserves (<10%), no legal challenge
High	Likely to occur within the next two years	High	Impact on reserves of > 10% or legal challenge or severe public censure

	Low	Medium	High	
Severity				High
				Medium
				Low
Likelihood				

HEALTH & SAFETY							
Ref	Risk	Hazard/Consequence	Current Risk Rating			Current Control Measures	Potential Further Action. When and by Whom
			L	S	RAG		
1	Attendees at PC meeting/other events/users of public toilets/ bus shelter and other facilities or amenities suffer harm or injury.	Injury, risk to life and limb. Potential for compensation claims. Reputational damage. Drain on resources dealing with claims.	L	H		Risk policy mandates and assessment for all fresh activities including each Snowdrop Valley Event. The council holds public liability insurance. Assets are inspected regularly.	Consider developing a health and safety policy for the council.
2	Clerk or Cllr suffer injury, illness or assault when performing duties	Risk to life and limb, reputational damage, liability claims. Drain on resources dealing with claims.	L	H		As Ref 1	As Ref 1. Clerk to put together a template of how things will work if needing to be off work for a long period.
3	PC fails to meet its obligations under Health & Safety legislation.	Fines, reputational damage, harm to individuals, liability claims.	L	H		As Ref 1	As Ref 1
4	Use of unqualified contractors and service providers results in substandard or dangerous work.	Harm to individuals as a result of poorly maintained assets, risk of litigation. Poor value for money. Reputational damage.	L	H		Financial regulations provide that all expenditure must be approved in advance by full council (saving emergencies). Council endeavours to ensure that it uses only qualified suppliers of good reputation.	For works likely to create risk or disruption the council will obtain method statements/H&S and risk assessments from the contractor.
5	Unauthorised access to council assets, equipment and records.	Loss of assets, financial loss.	L	L		Portable assets are of modest value. Council stores equipment in the Snowdrop Valley Trailer which is insured and parked with CCTV coverage. Council paperwork is kept at the Clerks home. Insurance cover in place with	Consider whether further secure storage is required.

						adequacy confirmed at each renewal.	
6	Lone working presents safety risks	Councillor or Clerk comes to harm.	L	H		Lone working is limited, often occurring in populated areas. Trained councillor operates SIDS equipment/erects signage on highways.	Ensure SID operator is provided with a high viz tabard.

Likelihood		Severity	
Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
Medium	Likely to occur within the next ten years	Medium	Some public censure or small impact on reserves (<10%), no legal challenge
High	Likely to occur within the next two years	High	Impact on reserves of > 10% or legal challenge or severe public censure

	Low	Medium	High	
Severity				High
				Medium
				Low
Likelihood				

DATA/DOCUMENTS							
Ref	Risk	Hazard/Consequence	Current Risk Rating			Current Control Measures	Potential Further Action. When and by Whom
			L	S	RAG		
1	Failure to comply with data protection legislation/personal data is breached.	Fines from Information Commissioners Officer, reputational damage, potential for fines, significant resources required to remediate potential breach.	L	H		Limited amounts of personal data are processed by PC. PC Pays ICO a yearly data protection renewal fee.	Clerk to look into putting together a data processing policy and privacy notice.
2	PC does not comply with publications scheme.	Reputational damage, censure from Information Commissioners Officer.	L	M			Clerk to prepare a publication scheme for the council.
3	PC website does not meet accessibility standards. Accessibility Regulations 2018.	Breach of regulations causes enforcement action from Cabinet Office.	L	M		New website was delivered at the end of 2022.	Keep up to date with regulations.
4	Documents are not properly controlled/cannot be accessed.	Impairment to audit trail and decision making.	L	L		Clerk maintains an up-to-date filing system. Backups completed on the laptop every month.	Clerk to prepare a business continuity statement.
5	Cyber Security/Passwords	Password leak could cause the Council Laptop to be vulnerable to a cyber-attack/hack.	M	M		Clerk will change the laptop password every month. HP Wolf Security Antivirus is installed on the laptop.	If the laptop gets stolen all account passwords will be changed immediately and HP Wolf Security will remotely locate, lock and wipe a lost or stolen laptop.

Version Control

Prepared by Liz Stitt, Clerk & RFO	30/07/2024
Reviewed by FRWG	17/09/2024
Adopted by Council	15/10/2024
Review Date	Oct 2025