

# **LLANDOUGH COMMUNITY COUNCIL**

## **RISK MANAGEMENT POLICY**

### **1. INTRODUCTION**

- 1.1 The recognition and management of risk is vital to ensure the proper management of the Council's assets and resources and efficient discharge of its duties and responsibilities to the community. Risk assessment is a continuous process which the Council needs to keep under review and ensure continuous monitoring.
- 1.2 The Practitioner's Guide on Governance and Accountability requires Councils to identify risks which it faces and put in place a scheme designed to create the necessary awareness and actions required to reduce the threat or possibility of an action or event that can impact on the interests of the Council and in turn the community it serves.
- 1.3 Risk management is not a process which seeks to avoid risk completely but it seeks to identify and assess risks on an individual basis by using a scoring methodology which identifies the severity of risk, the likelihood of it occurring and the impact if the risk was realised. Although each risk will have a different score rating, each of the risks will require an assessment of actions needed to minimise the risk.
- 1.4 The Plan which is appended to this policy identifies each of the risks that are considered to require attention as the impact of each on the Council would be of concern and in some cases could be extremely serious.
- 1.5 The Plan forms part of the internal control arrangements of the Council and will be used as part of the process of audit by the Council's Internal Auditor.
- 1.6 In most of the identified areas of risk the Council's insurance arrangements will apply such as in relation to public liability, employer liability, loss of money, fidelity guarantee, property damage, official's indemnity and loss or damage to equipment. The Council's insurers do however require the Council to adopt a process of risk management so that the exposure to insured risks are minimised.

1.7 An annual review of the plan in conjunction with the Council's insurance arrangements will be undertaken at the Annual Meeting of the Council.

## 2. **ASSESSMENT CRITERIA**

### 2.1 Rating and Classification of Risks

The rating and classification that is used in the Plan is as follows:

#### a) **Rating**

Potential Consequence Score: 1-5

Likelihood of Happening Score: 1-5

Severity Level Score: Potential Consequence x Likelihood

#### b) **Classification**

1-5 Low

6-10 Medium

11-15 High

16-25 Very High

## RISK MANAGEMENT PLAN

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Precept	Not submitted by Clerk	5	1	5	Low	Established budget process in place with Policy and Resources Committee considering the draft budget in October and Council approving the budget and precept in December of each year. Clerk/RFO to notify the County Borough Council of precept in January each Year. Financial Comparison reports to be considered by the Policy and Resources Committee every quarter enabling it to assess income and expenditure against budget headings. Bank reconciliation reports to be presented to the Council on a monthly basis as an additional method of Councillors assessing the state of the Council's finances.
	Inadequacy of the Precept	5	1	5	Low	
Rental Fees for Allotments	Rental fees are not received for every tenant in a timely fashion	4	1	4	Low	Clerk/RFO to invoice tenants in December as well as at intervals during the year when new tenants commence mid- term. Receipts to be issued for all rental fees received and invoices to be marked with the receipt number for the purpose of internal audit checks.
	Tenants fail to meet conditions of tenancy agreements	3	3	9	Medium	Allotments Working Party comprising of representatives of the Allotments Association to meet quarterly to discuss issues of concern and to physically inspect the condition of plots. Warning letters to be issued to tenants who fail to comply with tenancy conditions and where appropriate termination letters to be issued by the Clerk/RFO
Hire Charges for Hall	Hirers fail to pay hire charges	5	2	10	Medium	All hirers to complete hiring agreement and return to Clerk/RFO with payment. Receipt to be issued for all payments received. Regular users to pay monthly in arrears and Clerk/RFO to progress outstanding payments. Keyholder to be advised to withhold release of key if payment not received before the date of the hire.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
	Hirers cause damage To hall	5	2	10	Medium	Hiring agreement requires hirers to meet the cost of any damage caused to the hall. An invoice to be served on any hirer who damages the hall. On the one occasion when this has occurred it was extremely difficult to gain reimbursement of the small cost involved. In the case of major damage it might be necessary to pursue insurance claim or take legal action.
Loss of Money	The loss of petty cash held by the Clerk/RFO	2	1	3	Low	The petty cash account held by the Clerk/RFO be limited to £40. A petty cash book be maintained recording all payments supported by receipts.
	Non recording of Cash payments	2	1	3	Low	The only cash payments received relate to payments received at the fete from local organisations and attenders who pay a % of proceeds to the Council. All such payments to be receipted and where possible accepted by the Clerk/RFO in the company of a Councillor.
	Loss due to Fraudulent action By employees	5	1	5	Low	All cheques signed by two Councillors against invoices. All expenditure approved by Council and accounts subject to internal audit and Council scrutiny.
Investment Income	Loss of income due to type of investment made.	5	1	5	Low	Council's Investment Strategy to be reviewed at the Annual Meeting. Focus on investments to be based on stability and liquidity rather than an over focus on investment gain.
Reserves General	Inability to manage any unforeseen occurrences due to lack of cash flow.	4	1	4	Low	Council policy to maintain a non-earmarked reserve of between 3 and 12 month's annual budgeted sum.
Reserves Earmarked	Lack of availability of funding to meet planned commitments.	5	1	5	Low	Annual budgeting process to designate earmarked funding requirement and allocated sums to be preserved through having an adequate level of un-earmarked reserves.
Gardening Equipment	Theft or damage to Gardening equipment	3	2	6	Medium	Equipment to be locked away in Hall storage area when not in use. There is always the danger of a break-in but insurance is secured to cover losses.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Grounds Contract	Failure of contractor to meet the requirements of the contract.	4	2	8	Medium	A detailed specification to be drawn up and jointly signed with Contractor. Inspections of Council sites to be undertaken quarterly during the year as well as weekly checks to assess the adequacy of the performance of the Contractor and Clerk/RFO to take up matters with the Contractor as appropriate.
Legal Powers	Council acting Beyond its powers e.g. ultra vires	5	1	5	Low	All decisions of the Council to be supported by the legal source of the power that is relevant. Advice of the Clerk/RFO to be available at all times.
Salaries and Wages	Salaries and wages are paid at incorrect rates	5	1	5	Low	All wages and salary levels to be determined annually and recorded in the minutes. Internal Auditor requested to check that correct rates being paid.
	Income Tax and NI not deducted and/or not paid to HMRC	5	1	5	Low	Basic PAYE Tools (RTI) used to process salary and wages payments and Clerk/RFO to deduct Tax/NI and pay to HMRC by due dates. Policy and Resources Committee to monitor salary and wages payments in accordance with budget.
Recovery of VAT	VAT not recovered from the HMRC	4	1	4	Low	Clerk/RFO to make claim for reimbursement on an annual basis. Policy and Resources Committee to monitor receipt of VAT and Internal Auditor to check claims have been made as appropriate.
Council Credit (Barclaycard)	Fraudulent use Barclaycard	3	2	6	Medium	The Council has a policy in place to control the use of the card. It may only be used by the Clerk for online purchases. The balance must be paid off in full on a monthly basis by direct debit ensuing that no interest accrues. The maximum credit limit is set at £2000.
Payment of Grants	Appropriate approved grant claims not submitted.	4	1	4	Low	Clerk/RFO to be responsible for processing grant claims and Policy and Resources Committee and the Internal Auditor to check that grant payments have been received.
Councillors Allowances	Allowances not paid In accordance with The IRPW's scheme	4	1	4	Low	Clerk/RFO to ensure that all claims are appropriately submitted with Councillors being required to complete claim forms supported by receipts as appropriate.
Training of	Councillors do not	4	2	8	Medium	Council to have an annual training budget and all

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Councillors	have the necessary skills and knowledge to perform their roles.					Councillors be required to commit themselves to appropriate training.
Council Assets (Hall)	Health and Safety Requirements are Not addressed	5	2	10	Medium	Hall Committee established to manage the Hall. Council's Health and Safety Committee has established a strict regime for managing annual health and safety requirements (e.g. electrical inspections, fire extinguisher checks, fire risk assessment etc.). Clerk/RFO regularly reports to the Committee on compliance with these requirements. Appropriate insurance in place.
	Condition of Hall is not adequately maintained	4	3	12	High	Hall Committee inspects the condition of the hall on a biannual basis. Hall Caretakers to report any Maintenance issues to the Clerk/RFO. Budget set annually to address non-urgent maintenance requirements.
Availability of Staff	Main issue concerns Any long term Absence of the Clerk	5	2	10	Medium	Council to nominate one of its members to cover the essential duties on a non -remunerated basis. Access to SLCC's locum service or contact neighbouring Councils to see if cover can be provided by other serving Clerks.
Village Green	Inappropriate use Of the village green.	3	1	3	Low	Signpost in place to warn of penalties for inappropriate use.
Village Garden	Damage to garden Caused by Vandals.	4	3	12	High	Regular inspection by the Clerk/RFO and members and corrective action taken by grounds contractor as appropriate.
Brook Green	Damage to Footbridge caused By inappropriate Use.	4	2	8	Medium	Regular inspections by Clerk/RFO and members and corrective action taken by grounds contractor as appropriate.
Condition of Trees	Damage caused by Falling trees and Roots causing damage to neighbouring properties.	5	3	15	High	Public liability insurance in place. Annual tree inspection by Tree Surgeon and recommendations carried out in accordance with the report.

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Village Fete	Injury to volunteers And attendees	5	2	10	Medium	Village Fete Working Party in place to manage the Fete and prepare and apply a specific risk assessment plan covering matters such as use of hot water, access to the electricity generator, trailing wires etc.
Litter Picks	Injury to Councillors And volunteers Involved in litter picks	5	2	10	Medium	Public liability insurance in place. Marshall appointed to supervise volunteers. Provision of litter pickers, gloves etc. and volunteers required to wear appropriate footwear. Warnings given about picking up glass and awareness of needle stick injuries.
Christmas Decorations	Connection to Electricity supply Does not comply With appropriate standards	5	3	15	High	Qualified electrician employed to connect lights to trees.
Community Transport Scheme	Injury to persons Using the community Bus.	5	2	10	Medium	Volunteer engaged and trained by East Vale Community Transport Service and vehicle which is specially adapted is hired from this Service. The Service also provides adequate insurance cover.
Data Protection	Compliance with Data Protection Act 2018	5	2	10		Ensure that all aspects of compliance are completed, That Data Protection principles are observed and data Retention policy is implemented.
Information Security	Important Council Information held In hard copy and On computer is Lost or damaged.	5	4	20	Very High	Important hard copy data is stored in home of Clerk and archived files in a suitable locked up facility in the village hall. Data held on computer is continually backed up using a service provided by Vision ICT Limited.
MUGA and Roundabout	Poor maintenance or unidentified damage to equipment could result in injury to users	5	2	10	Medium	Service Level agreement with Vale of Glamorgan Council who will organise regular inspections and an annual professional survey. Regular inspection reports supplied to the Clerk highlighting and repair work needed. Both items of play equipment are suitably insured.
Financial Records	Financial Records Are lost or Damaged.	5	2	10	Medium	Financial records are audited annually and files are then held in a suitable locked up facility in the village Hall. All transaction data and the cash book are maintained on Advantage Edge Finance software

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						which is backed up on a central fileserver maintained by Edge Designs.
Health and Safety Assessments	Activities of the Council are not Risk assessed and Arrangements Regularly monitored.	5	2	10	Medium	The Health and Safety Committee has responsibility for ensuring that risk assessments are prepared and regularly monitored.
Disability Discrimination	Council's facilities Are not compliant With the legislative Requirements.	5	2	10	Medium	The Council has an equality and diversity policy and attention is given to the needs of those with a disability such as access to the village hall, provision of disabled toilets etc.
Code of Conduct	Members do not Declare interests as Required.	5	3	15	High	Members to be trained in the Code of Conduct. all declarations to be completed using a designated pro-forma and the declaration of interests is to be published on the Council's website.
Welsh Language Act	The Council fails To comply with the Act.	4	3	12	High	Council has adopted a Welsh Language Policy and is working with a local Welsh speaking resident to expand its communication arrangements through the medium of Welsh.
Legal Claims	Claims are made in Relation to Employment matters And from members Of the public about The condition of Council amenities Resulting in injury.	5	3	15	High	Council models it's as a good employer and follows all expected standards of good employment practice. members are trained in this area. Public liability and legal expenses insurance is in place. The Council has a range of employment policies in place (e.g. grievance and disciplinary procedures).

Dated : May 2017 (To be reviewed at the Annual Meeting each year). Updated at the Annual Meeting in May 2019. Reviewed in May 2020 but no changes required. Updated following Annual Meeting in May 2021. Considered at the Annual Meeting in May 2022 but no changes required. Considered at the Annual Meeting in May 2023 but no changes required. Considered at the Annual Meeting in May 2024 and one addition included relating to use of a credit card.