

SOUTH LENCHES PARISH COUNCIL

Policy adopted: 14.05.18 For review: March 19
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RISK MANAGEMENT POLICY.

South Lenches Parish Council recognises that it has a responsibility to manage risks both internally and externally. It is the responsibility of all Members and the Clerk to have regard for risk whilst carrying out their duties.

Governance and Accountability for Smaller Authorities in England March 2017 states:

Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority's objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority's corporate governance arrangements and its ability to deliver its priorities.

Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes.

There are four ways of dealing with risk:

- Identify risk i.e. financial, security (fraud, theft), damage to assets, Legal issues, reputation.
- Assess risk - by internal control. Manage by Insurance cover.
- Address risk - by managing, prevention, transfer i.e. external body (Contractor)
- Review and report - risk assessment to be reviewed on a quarterly basis.

Risk Matrix.

Assessment of probability and the impact if the risk were to happen.

I m p a c t	High	6	7	9
	Med	3	5	8
	Low	1	2	4
		Low	Med	High
Probability				

	Description of Risk	Probability	Impact	Risk	Response.
Assets	Protection of Assets	Low	Low	1	All assets come under Insurance policy unless identified on Asset register as 'not covered'
	Play area and equipment LSRC	Medium	High	7	Checked weekly; annual inspection report.
Finance	Loss of income.	Low	High	6	Fidelity Guarantee Insurance.
	Loss of cash through dishonesty/theft.	Medium	High	7	Receipts issued.

SOUTH LENCHES PARISH COUNCIL

	Financial controls and records	Low	Medium	3	Bi-monthly reconciliation and account summary prepared by Clerk and reported to Council at meeting. Two signatories on cheques. Payment sheet and cheque stubs countersigned. Internal and external audit. Standing Orders and Financial Regulations that govern internal controls are updated annually.
	VAT	Low	Medium	3	VAT refund claims made annually.
	Budget to form Precept.	Medium	High	7	Finance Group prepares figures at November meeting. Precept approved. Expenditure against budget reported to Council monthly.
	Employee	Low	Medium	3	PAYE, and NI if applicable, are made using HMRC Real Time application, submitted by the Clerk and are subject to the Internal Auditor examination. Salary sheets are checked and signed by the Chairman on a bi-monthly basis.
Internal Controls	Up to date Asset Register and investments. Maintenance.	Low	Medium	3	Reviewed annually. Play equipment, Office equipment and Street Furniture. Annual review of risk assessment , updated during the year as required..
Insurance	Employee Council	Low	High	6	Employers Liability cover of £10,000,000. Public Liability cover of £10,000,000 for members employee and volunteers. Libel & Slander Personal Accident Income protection Office Equipment Officials Indemnity liability Legal Expenses
Liability	Risk to third party or individuals.	Low	High	6	Adequate insurance in place. Open spaces checked regularly. Trees investigated when damage reported.
	Legal liability in regard to assets, playing field, Jubilee Orchard.	Low	High	6	Weekly checks of playing field and play equipment undertaken. Records retained. Annual Play Inspection check by ROSPA associated independent inspector of playgrounds.
Records	Hard and computer data.	Low	High	6	Records Retention Policy in place.
Register of Interest.	Members	Low	High	6	Register held by Wychavon District Council (WDC) and can be viewed on the Parish Council website. It is the responsibility of Members to notify any changes to the form to the Monitoring Officer at WDC.

Risk Management and Internal Control.

System of Internal Control enables the Parish Council to respond to operational and financial risks by having in place:

- Policies and procedures.
- Quarterly reporting.
- Risk Assessment. (Attached)
- Planning and budgeting.
- External reports i.e. Contractors, Consultants.
- Review of Insurance Policy.

Annual Review of Effectiveness.

On receipt of the Internal auditor's Annual Report the Council will:

SOUTH LENCHES PARISH COUNCIL

- Review previous year and effectiveness of Risk Management and Internal Control and make alterations as required.
- Consider the internal and external risk for coming year to address new areas of risk and make changes to internal control if required.

If changes required the Parish Council will consider:

- a) Identify and assess risk.
- b) Allocation of resources to address area of concern.
- c) Timely manner to correct actions required.