

Bisley with Lypiatt Parish Council Risk Management Policy
A policy which sets out how the Council will identify, quantify, manage, assess and review risks

Adopted at 5th April 2023 Parish Council meeting

1. Introduction

1.1. Bisley with Lypiatt Parish Council has adopted this risk management policy in accordance with guidance set out in Governance and Accountability for Local Councils – a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG) and also to give effect to the Health and Safety at Work Act 1974.

1.2. This document sets out the:

- Parish Council's Risk Management Policy
- Objectives of Risk Management
- Types of Risk
- Roles and responsibilities
- Risk Management process
- Approach to future monitoring

1.3. This policy aims to further develop risk management and raise its profile across the Parish Council by:

- Integrating risk management into the culture of the organisation;
- Embedding risk management through the ownership and management of risk as part of all decision making processes;
- Managing risk in accordance with best practice.

2. The Policy

2.1. The Parish Council recognises that it has a responsibility to manage risks effectively in order to protect its employee, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise its opportunities.

2.2. The Parish Council is aware that some risks can never be eliminated fully and its strategy provides a structured, systematic and focussed approach to managing risk.

2.3. Risk Management is an integral part of the Parish Council's management processes.

3. Objectives of Risk Management

3.1. The objectives of risk management are to:

- Identify, evaluate and manage the opportunities and risks to which the Parish Council is exposed, at strategic and operational level;
- To protect physical assets, promote employee and public safety and maximise resources;
- Embed risk management into day to day management and working arrangements;
- Enable effective and safe delivery of services to local people and to minimise the risk of significant failures
- Enable the identification of opportunities and risks associated with the Council's budget options and business planning to ensure that opportunities and risks are controlled;
- Enable better, more informed decision making at all levels;
- Review, evaluate and implement issues identified from past experience;
- To promote good corporate governance;

3.2. It is the responsibility of all Members and staff to have regard for risk management whilst carrying out their duties.

3.3. This Strategy will enable risks and opportunities to be identified, evaluated, controlled, monitored and reported.

3.4. Seek assurances that action(s) are being taken on risk related issues identified by auditors and inspectors.

4. Types of Risk

4.1. In order to manage risk, the Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process.

4.2. The Council will identify the key risks to achieving its priorities and service objectives:

- i. Financial;
- ii. Management;
- iii. Liability;
- iv. Councillors Propriety

5. Roles and Responsibilities for Risk Management

5.1. All Members and staff of the Parish Council are responsible for risk management.

5.2. All Members:

- Have collective responsibility in understanding the strategic risks which the Parish Council faces.
- Ensure that all identified risks have been considered in decision making and countermeasures and controls are defined.
- Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Parish Clerk.
- Monitor the effectiveness of the Parish Council's risk management arrangements by reviewing any risk management reports to Council.
- Know how the Parish Council will manage and operate in a crisis through its approved Emergency Plan.

5.3. Parish Clerk:

- The lead officer for risk management and owner of the Risk Management Strategy.
- Has the responsibility to understand the strategic and operational risks that the Parish Council faces and to oversee the effective management of these risks by officers.
- Lead on the corporate governance agenda which includes risk management and with the Council's Chair approve the Annual Governance Statement.
- Ensure that risks are fully considered in all strategic decision making and that the Risk Management Policy helps the Parish Council to achieve its objectives and protection of assets.
- Provides advice as to the legality of policy and service delivery and update the Parish Council on the implications of new or revised legislation.
- Assess and implement the Council's insurance requirements.
- Assess the financial implications.

5.6. Role of Internal Audit:

- Provide a scrutiny role by carrying out audits to provide independent assurance to Members, via the Internal Auditor's annual audit plan and post audit report that the necessary risk management systems are in place.

6. The Risk Management Process

6.1. The process of risk management is straight forward and involves a number of key steps which are outlined below.

7. Step 1: Identification of Risks

7.1. The Parish Clerk is responsible for identifying and recording any risks. Identification will be either via a formal process of planned inspections or ad hoc requests or risks being noted through everyday working situations.

7.2. When changes to working arrangements, new initiatives, events or projects are to be undertaken the Clerk will seek to identify any risks early in the planning process and prior to implementation.

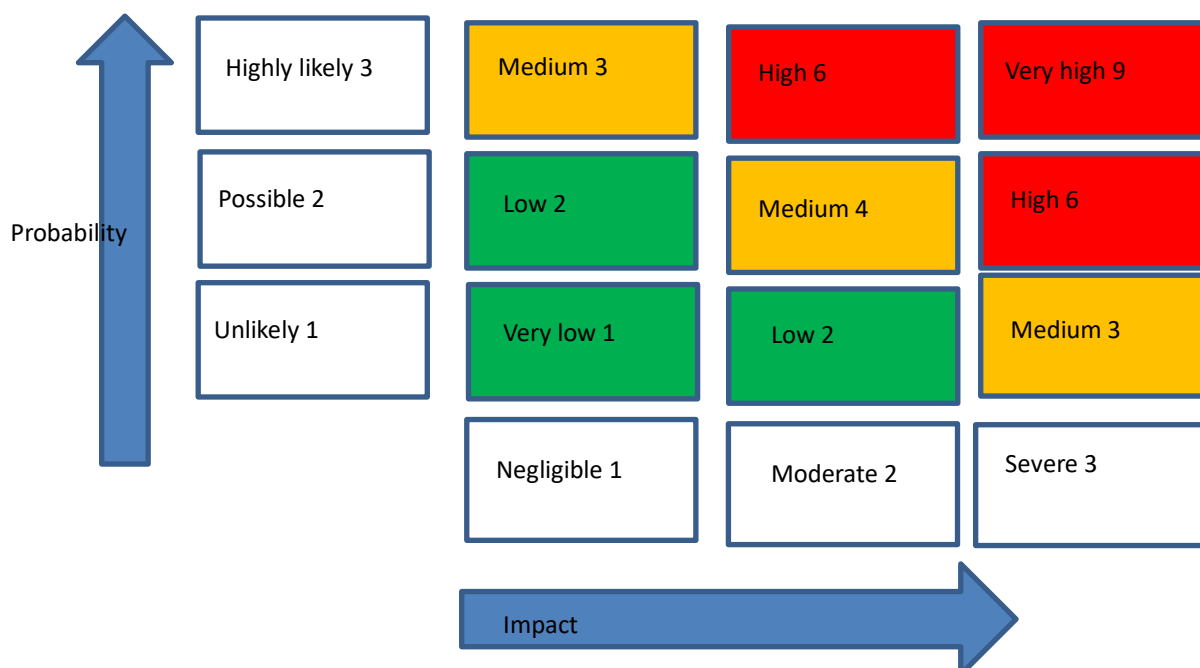
7.3. Each risk should be described and set out on a risk assessment form.

7.4. All risks identified must be recorded on the risk register.

8. Step 2: Evaluation of Risks

8.1. On identification of a risk the Clerk will assign a risk factor by reference to the risk matrix.

8.2. The risk matrix considers the likelihood of a risk materialising and the impact it would have.



8.3. According to the level of risk identified appropriate action should be taken.

Impact Probability

8.4. If the level of risk is high it may not be possible to wait until a formal response or action has been agreed by the Council. The risk factor table below provides guidance in assessing appropriate action.

Risk factor		Action
Red	Very High/ High	Immediate notification to Chair & Finance Group Identify remedial action for consideration and implementation.
Amber	Medium	Immediate notification to Chair & Vice Chair
Green	Low	Notify Chair

8.5. Where remedial action incurs non-budgeted costs of £500 or over these should be reported to the Finance Group

9. Step 3: Mitigation of Risk

9.1. The Parish Clerk should consider what controls are in place to mitigate the risk. These could include controls to reduce the likelihood of a risk occurring or to reduce the impact on the Parish Council.

9.2. Only existing controls that are already in place should be considered and included on the risk assessment/notification form.

10. Step 4: Decide on Any Further Action to be taken

10.1. Following evaluation there are four main control options to manage the risk:

- Terminate the risk – take a decision to discontinue the activity.
- Transfer the risk – the risk is ‘passed’ on e.g. to an insurer.
- Treat the risk – put in place additional effective controls to reduce the impact or likelihood.
- Tolerate the risk – accept the risk but continue to monitor and evaluate.

10.2. Where additional controls are required these should be agreed with the Chair, Vice-Chair and Finance group and details entered onto the risk assessment form and the Parish Council notified at its next meeting.

1. Finance

Subject	Risk(s) Identified	Risk indicator	Management /Control of Risk	Review/Assess/Revise
AGAR	<ul style="list-style-type: none"> ▪ Not submitted within time limit ▪ Not published in compliance with regulations 	<p>V Low 1</p> <p>Low 2</p>	<p>Year-end accounts are submitted to the Internal Auditor then approved by the Council.</p> <p>Annual return is completed in accordance with the regulations and approved by the council, then sent to the External Auditor within the time limit.</p> <p>Dates for the deadline are stated by external auditor.</p> <p>Notices of rights to inspect the Accounts are published on notice boards and on the PC website as stated on auditor notices.</p>	Current procedures adequate as per regulations
Bank and Banking	<ul style="list-style-type: none"> ▪ Inadequate checks ▪ Bank mistakes ▪ Internet hacking ▪ FSCS limits exceeded 	<p>V Low 1</p> <p>Low 2</p> <p>Med 3</p>	<p>The Council adheres to Financial Regulations (FRs) that set out the requirements for banking, cheques and reconciliation of accounts.</p> <p>The Clerk reconciles the bank accounts monthly when the statements are received. Any errors would be communicated to the bank and Chairman immediately.</p> <p>The end of quarter bank statement and a financial report is produced and circulated to the full council</p> <p>A member of the Finance team audits the reconciliations every quarter</p> <p>Three signatures are required for every cheque or bank transfer issued.</p> <p>FSCS (financial services compensation scheme) covers deposits to £85k; if funds held near this limit accounts would be reviewed, and money moved accordingly.</p> <p>Antivirus software on Clerk's computer to be kept updated. Banking systems are accessed via ESET a banking and payment protection secure browser</p>	Review at end of each Financial year
Best Value Accountability	<ul style="list-style-type: none"> ▪ Work awarded incorrectly ▪ Overspend on services 	<p>Low 2</p> <p>Med 3</p>	<p>As per FRs normal practice would be to seek whenever possible at least three quotations for work over £1000.00.</p> <p>For major contract services formal competitive tenders must be sought.</p> <p>If problem is encountered with a contract the Clerk would investigate, check quote/tender, research problem</p>	Continual review

			and report to Council. The chairman and the RFO can authorise up to £1000 in urgent cases	
Councillor allowances / expenses	Councillors over-paid	V Low 1	No allowances are allocation to Councillors or the Chairman. Any expenses are claimed by presenting the relevant receipt to the Clerk for approval/payment in the same manner as other payments. Expenses are monitored to ensure the budget is not exceeded and expenditure reported monthly to the Council.	Current procedures adequate
Election costs	Unexpected election cost	Low 2	Sufficient monies in reserve are budgeted to be available should the need arise.	Reviewed during annual budget process
Financial Records.	<ul style="list-style-type: none"> ▪ Inadequate records ▪ Financial irregularities 	V Low 1 V Low 1	FRs set out requirements. The Clerk receives training to ensure knowledge is up to date. The accounts system includes reconciliations and cross-casting to reduce arithmetical mistakes. The Internal Auditor checks all records. Review of income & expenditure is provided quarterly to the Council.	Current procedures adequate.
Grants payable	No authorisation of Council to pay	V Low 1	The PC has an S137 Grant Policy that sets out the requirements. All such expenditure goes through PC required process of approval and is minuted	Current procedures adequate
Grants receivable	Incorrect amount received or paid in.	Low 2	Grants received are checked as being due by the Clerk. All receipts are reported to the Council and recorded in the minutes	Current procedures adequate
Invoices	<ul style="list-style-type: none"> ▪ Goods not supplied but billed ▪ Incorrect invoicing ▪ Errors in authorisation ▪ Unpaid invoices 	V Low 1	Invoices are only submitted for approval once the Clerk has confirmed the goods/services have been received or provided Cheques/BACS authorisations are presented to signatories with the relevant invoice (it having already been checked by the Clerk). All invoices are initialled authorised signatories Schedule of payments is produced for approval at each Council meeting and minuted accordingly	Current procedures adequate
Precept	<ul style="list-style-type: none"> ▪ Adequacy of precept. ▪ Requirements not submitted to SDC ▪ Amount not received from SDC 	V Low 1	The Council commences the review of the precept requirement annually in October/November by the Finance group. A draft budget is worked on and includes actual position and projected position to year end and estimated figures for the next financial year. With this information a first draft overall figure is considered with a further Finance committee meeting to agree amounts set for specific budget headings for the following year. Final budget figures to be formally resolved at the January full Council Meeting; the total of which is resolved to be the precept amount to be sent to Stroud District Council for collection through	Current procedures adequate.

			the Council Tax. This figure is submitted by the Clerk (as the Responsible Financial Officer) in writing to SDC. Clerk informs the Council when precept is received	
Salaries and associated costs	-Salary paid incorrectly -Wrong deductions of NI or Tax -Unpaid Tax & NI contributions to the HMRC. -Incorrect time or holiday paid. -Expenses paid correctly	V Low 1	The PC authorises the appointment of all employees through a recruitment process. Clerk has a contract of employment and job description. Salary based according to NALC/SLCC national pay scales Holiday record is kept and submitted annually to the chairman Salaries are paid by Standing Order via HMRC payroll system and payments checked as part of the payment approval process. Clerks expenses are accompanied by appropriate receipts and checked as part of the payment process HMRC contributions are processed via HMRC system and submitted monthly to HMRC by cheque. Again is part of the monthly payment approval process	Current procedures adequate
VAT	Failure to reclaim	V Low 1	The PCs accounting software includes VAT and produces the annual claim which the Clerk send to HMRC for collection Reclaims are reconciled with cash book.	Current procedures adequate
Reporting and Auditing compliance.	Information communication Compliance	V Low 1	Budget monitoring statement is produced each quarterly and provided for members for information purposes. A full list of receipts, transfers and cheques to be signed is provided at the meeting A full detail balanced against the bank statement is checked by a Councillor Quarterly. The internal auditor is approved for each year at the March meeting	Current procedures adequate
Assets	Loss and or Damage	Med 3	Quarterly/half yearly/Annual inspections appropriate to each asset and insurance in force	Sums insured checked annually. Asset register updated annually (in process of being produced) – internal audit
Maintenance Wear and Tear/Damage to assets/amenities.	Loss of income	Low 2	Regular formal inspections made by approved qualified authorities, Councillors and Clerk	Reviewed annually
Reserves – General	Inadequate to cover possible expenditure	Low 2	Considered at Budget setting and all other Finance meetings. Opinion of RFO also considered.	Reviewed annually
Loss	Consequential loss due to critical damage or thirdparty performance	Low 2	Adequacy of insurance cover	Reviewed annually.

2. Management

Subject	Risk(s) Identified	Risk indicator	Management /Control of Risk	Review/Assess/Revise
Business continuity	Risk of Council not being able to continue its business due to unexpected circumstances	Low 2	The Councils everyday working files are kept online and are backed up weekly. Necessary paper records are retained in accordance with the PC's retention policy as well as some on the website. Chairman has copy of all access passwords. In the event of the Clerk being indisposed a locum will be arranged. Alternative meeting rooms are available in the village. Contingency, when legislation permits, use of 'zoom' video conference facilities	Current procedures adequate
Council records – electronic	Services not provided Inability to carry out functions? Loss of historical records (irreplaceable)	Low 2	Ensure regular backups undertaken	Current procedures adequate
Council records - paper	Services not provided Inability to carry out functions? Loss of historical records (irreplaceable)	Low 2	Hard copies that need to be kept are kept in a locked cabinet. If necessary scanned and stored in soft copy. Hard copies over two years are archived at GCC archives	Current procedures adequate
Cyber Security	Loss of sensitive information Loss of funds Lack of confidence in the Council. Disruption of services	Low 2	Use a good quality paid for Anti-virus. Full firewalls in place. Encryption on the hard drives in place, to prevent access if the computers are stolen	Reviewed annually
Failure to ensure that the Council complies with law in particular: *Health and Safety *Equal Opportunities *Data Protection *Human Rights *Disability Discrimination *Employment Law *Racial Discrimination	Fines and Penalties From regulation bodies Loss of reputation	Low 2	Clear policies and procedures Regular review of law Training	Reviewed annually
Environment trees	Risk of damage/injury to third party	Med 3	The Council has a large number of trees located on a number of its properties. There is a risk to persons and property from falling branches, trees and from root ingress. The PC ensure regular inspection and has maintenance contracts in place	
Environment - planning	Damage within the Parish and surrounding Area due to adverse planning decisions	Med 3	The Parish Council has a robust mechanism for dealing with planning applications. The Parish Council is in the process of developing a NP to go to Reg 14	

Environment – wild Life				

3. Liability

Subject	Risk(s) Identified	Risk indicator	Management /Control of Risk	Review/Assess/Revise
Employers liability	Non-compliance with employment law	Low 2	Insurance in place. Undertaken adequate training and seek advice from NALC/SLCC as appropriate. Seek professional support for specialist areas of responsibility.	Current procedures adequate
Legal liability	Lack of clarity of legality of activities Inaccurate reporting via Minutes Lack of document control	Low 2	Clerk to clarify legal position on proposals and to seek advice if necessary. Parish Council always receive and approve Minutes at monthly meetings. Retention of document policy in place. Seek professional support for specialist areas of responsibility.	Current procedures adequate
Minutes Agenda Notices Statutory documents	Inaccurate minutes Unlawful actions Public notice not given sufficient notice Missing documents Business not conducted correctly	Low 2	Minutes and agenda are produced in the prescribed manner by the Clerk according to legal requirements. Minutes are approved and signed at the following Council meeting. Minutes and agenda are displayed according to legal requirements, on noticeboards and the PC website. Business conducted at Council meetings is managed by the Chair and advised by the Clerk.	Current procedures adequate
Public liability	Risk to third party, property or individuals	Low 2	Insurance is in place. Risk assessments regularly carried out to comply with requirements if necessary. Safeguarding policy in place	Reviewed annually
Legal powers	Illegal activity or payments Working parties taking decisions.	Low 2	All activity and payments made within the powers of the PC (not ultra vires) and to be resolved and clearly minuted. Ensure working parties understand only the Parish Council can make decisions	Current procedures adequate

4 Councillors propriety

Subject	Risk(s) Identified	Risk indicator	Management /Control of Risk	Review/Assess/Revise
Members interests	Conflict of interest not declared Register of Members interests	Med 3	Councillors are solely responsible for the completion and submission of their Register of Members Interests and that it is a legal requirement; it is not the Council's responsibility. Councillors have a duty to declare any interests at the start of the meeting, reminder on the agenda. It is not the responsibility of members or the Clerk to cajole a member with a	Check understanding of requirements as new councillors are appointed. Members to take responsibility themselves to update the Register.

			potential interest to actually declare it; it is the sole responsibility of the councillor concerned. Register of Members Interest forms to be reviewed regularly by Councillors.	
Council becomes dominated by one or two individuals.	Conflicts of interest. Pursuit of personal agendas. Decisions made outside Council	Low 2	Clear Standing Orders regarding conduct of meeting and conflict of interests	Reviewed annually