

EAST CHEVINGTON PARISH COUNCIL RISK MANAGEMENT

Each council should have in place a system to help it to manage risk. This system will be simple for the smallest parishes and more complex for larger parish and town councils. A council's internal auditor may use this risk management system to help to identify what tests to carry out as part of the audit.

Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery. Most Clerks will already be assessing and managing risks in some way or other but there may be room to improve and document existing practices.

Members are ultimately responsible for risk management because risks threaten a council's ability to achieve its objectives. The Clerk should therefore ensure that members:

- Identify the key risks facing the council.
- Evaluate the potential to the council of one of these risks taking place.
- Agree measures to avoid, reduce or control the risk or its consequence.

Every council is different and there is no such thing as a standard list of risks. There are however a number of common themes that are likely to emerge. These might include:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income, petty cash etc.
- Injury to the public – in playgrounds and recreation grounds, in village halls, at burial grounds etc
- Complying with legal requirements – agendas and minutes, burial records, etc
- Councillor propriety – declarations of interest, gifts and hospitality etc

The Clerk needs to consider each of the possible risks under each of the identified schemes. For example physical assets could be lost as a result of fire or flood, damaged by vandals, stolen, or simply deteriorate through lack of maintenance. All these risks can be minimised or transferred by various means such as taking out insurance, securing alarms, or by regular inspection and maintenance. In addition to identifying risk, it is a good idea to make a judgement about the likelihood of the risk occurring and its potential impact. Classification need be no more complicated than high, medium or low.

There are three main ways of managing risk:

- Take out insurance.

- Work with another party to reduce the risk.
- Manage the risk yourself.

EAST CHEVINGTON PARISH COUNCIL RISK ASSESSMENT AND MANAGEMENT

Area	Risk	Level	Control (<i>and agreed improvements</i>)
Assets	Protection of physical assets	M	Buildings and other assets insured.
	Security of buildings, equipment etc	M	As above, inspections & maintenance.
	Maintenance of buildings, equipment etc	M	Regular inspections to identify any health and safety issues and any repairs or improvements required.
Finance	Bank	M	Bulk of money (ring fenced funds) held in a separate account. Less than £80,000 held at any one time in current account.
	Consequential loss of income	L	No major income apart from precept.
	Loss of cash through theft or dishonesty	M	Very little cash handled. Financial Regulations adopted. Insurance policy has a Fidelity Guarantee.
	Proper financial controls and adequate records	M	Financial Regulations adopted. Bank reconciliations are completed every 4 months. Two signatures from four signatories on cheques. Internal and external audit.

	Comply with Customs and Excise Regulations	M	VAT payments and claims calculated by Clerk. Open to inspection by members. Internal and external auditors to provide double check.
	Sound budgeting and adequate precept requirements	M	Council receives detailed budgets in December/January. Precept derived directly from this. Income & expenditure against budget reported via a budget monitoring document every four months, including year-end accounts.
	Complying with borrowing restrictions	L	Hadston House loan from PWLB ended Nov 2019 - no other outstanding loans.
Liability	Risk to third party, property or individuals	M	Public Liability insurance in place. Existing cover of up to £10m.
	Legal liability as consequence of asset ownership	H	Insurance in place. Regular checks of playground equipment, including a yearly inspection by ROSPA.
	Libel and Slander	M	Members and Clerk - standard cover up to £250,000.
	Officials Indemnity	M	Cover for members and Clerk for any negligent act, accidental error or omission committed - standard cover up to £250,000.
Employer Liability	Comply with Employment Law	M	Advice sought from National Association of Local Councils when required. Existing employer's liability insurance cover up to £10m.

	Comply with Inland Revenue requirements	M	Payroll managed by Northumberland County Council as agent. Internal and external auditors carry out annual checks.
	Safety of Staff and visitors	L	Very few visitors to Parish Council office at Clerk's home. Health and Safety Policy created.
Legal Liability	Ensuring activities are within legal powers	L	Clerk clarifies legal position on any new proposal. Legal advice to be sought when necessary. Council are now eligible to use the GPC.
	Proper and timely reporting via the Minutes	M	Council meets monthly and receives and approves the Minutes of meetings. Minutes made available to press and public via the website and noticeboards.
	Proper document control	L	Leases and legal documents in Clerk's home. Key documents stored at bank or at solicitors. Compliance with the Data Protection Act and Freedom of Information Act.
Councillor Propriety	Registers of Interests and gifts and hospitality in place	M	Register of interest completed. Members to declare any gifts or hospitality (over £25 in value) as and when received.

Approval date:

Minute: /

Review date:

Clerk to the Council: Sara Brown

Signed:

Chairman: Cllr Fred Thurgood

Signed: