
For Information

Risk Management Policy and Register 2024/2025

Adopted: 11 March 2024

Chairman: Cllr. Lucy Crook

Minute Ref.: 240311/6

*Administered by Clerk and Responsible Financial Officer to
Barrow Parish Council.*

1. Background

Risks can be defined as any threat or possibility that an action or event will affect the interests of the Parish Council. Risk management is not a process of avoiding risk but an attempt to identify risk and assess its implications in order to make informed decisions.

While, some risks can never be fully eliminated, it is important to have a plan in place that provides a structured, systematic, and focused approach to managing risk.

The Parish Council is responsible for the management of risk in accordance with this plan. The Clerk is responsible for advising the Parish Council on risk assessment and for conducting their duties in a manner which avoids undue risks to the Council.

Most of the Parish Council’s identified risks are covered by insurances taken out, i.e., public liability, employer liability, money, fidelity guarantee, property damage, official’s indemnity, and asset insurance.

Risk assessment is a continuous process for the Council and this plan is not exhaustive. The Parish Council may wish to consider other risks not identified. The plan will be reviewed annually, and it should be read in conjunction with the Parish Council’s Financial Regulations and Standing Orders.

2. Risk Assessment

Once the Council has identified its key risks, the next step is to assess the potential consequences of a risk occurring (Impact) and consider how likely this is (Likelihood). The risk assessment enables the Council to decide which risks it should pay most attention to when considering what measures to take to manage them.

The Council is using a simple numerical score (1 – 3) and multiplying the two scores to arrive at a risk assessment score for each risk of High, Medium, or Low.

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|------------|-------------------|----------------|--------------|------------|
| | Highly likely (3) | Medium (3) | High (6) | High (9) |
| LIKELIHOOD | Possible (2) | Low (2) | Medium (4) | High (6) |
| | Unlikely (1) | Low (1) | Low (2) | Medium (3) |
| | | Negligible (1) | Moderate (2) | Severe (3) |
| | | IMPACT | | |

3. The Risk Management Register

The Register was re-adopted by Barrow Parish Council on 4 April 2022. The Parish Council is expected to carry out as a minimum an annual risk assessment and identify any actions it considers necessary to minimise those risks.

| # | Description of Risk | Impact | Likelihood | Impact | Risk Rating | Mitigation | Responsible |
|---|---|---|------------|--------|-------------|--|----------------------------|
| 1 | Personal injury or damage to the public or their property arising from defects in Council owned assets. | Claims for compensation and costs to the Council in defending claims where appropriate. | 1 | 2 | 2 | <ul style="list-style-type: none"> Covered under the Council's Public Liability Insurance Policy. Regular inspection and maintenance and prompt repair of any damage. Periodic review of insurance cover and timely renewal | Council and Clerk |
| 2 | Compensation claims by an employee in respect of injury sustained in carrying out their employment. | Claims for compensation and associated costs. <i>Note: the current clerk is over 76 and some insurance claims are reduced.</i> | 1 | 2 | 2 | <ul style="list-style-type: none"> Potential liabilities, including costs, covered by Council's insurance policy. Maintain adequate insurance cover in respect of employees. | Council and Clerk |
| 3 | Compensation claims by contracted person in respect of injury sustained in the cause of engagement. | Claims for compensation and associated costs. | 2 | 1 | 2 | <ul style="list-style-type: none"> Ensure contractor has suitable insurance as required by service contract. Lengthsman is required to take out suitable insurance as required by service contract. Occasional site checks to ensure compliance with risk procedures. | Clerk |
| 4 | Loss of cheques, cash etc. held on the Council's behalf. | Reduction in Council's financial resources. | 1 | 2 | 2 | <ul style="list-style-type: none"> Such losses are covered by insurance policy. Prompt payment of receipts into bank No petty cash held. Internet banking in operation since 17/06/22. | Council and Clerk Clerk |
| 5 | Financial loss due to banking error. For example, loss of interest or bank charges levied. | Reduction in Council's financial resources. | 1 | 1 | 1 | <ul style="list-style-type: none"> Scrutiny of bank statements upon receipt. Periodic review of banking arrangements to secure reasonable terms and conditions. | Clerk |

| # | Description of Risk | Impact | Likelihood | Impact | Risk Rating | Mitigation | Responsible |
|----|---|--|------------|--------|-------------|--|---|
| 6 | Loss of monies due to fraudulent action by Council employee(s). | Reduction in Council's financial resources and reputation. | 1 | 3 | 3 | <ul style="list-style-type: none"> All payments require two approvals Internet Banking. All expenditure approved by Council. Financial Statements provided to Council. Accounts subject to scrutiny by Internal Auditor, and overview by External Auditor. Apply financial regulations. Regular review of insurance cover. | <ul style="list-style-type: none"> Council Council Council Auditors Clerk Clerk |
| 7 | Damage to Council property by third party. | Repair / replacement costs to be covered. | 2 | 2 | 4 | <ul style="list-style-type: none"> Council's insurance policy covers items of playground equipment and street furniture. Regular inspection of all Council assets. | <ul style="list-style-type: none"> Clerk Clerk/Council |
| 8 | Actions against the Council for: <ul style="list-style-type: none"> Libel or slander Breaches of employment law. Unfair dismissal. Employment grievances. | Substantial costs to the Council. Reputational damage to the Council. | 1 | 3 | 3 | <ul style="list-style-type: none"> Financial risk covered by the Council's insurance. Ensure Members are aware and have training on such matters. Proper conduct of meetings by the Chairman. Seek professional advice. | <ul style="list-style-type: none"> Clerk. Chairman/Clerk Chairman Clerk |
| 9 | Failure to represent community interest adequately in relation to matters likely to impact significantly on the Parish. | Reduction in local facilities and/or quality of life or missed opportunity to benefit from external funding or advice. | 1 | 3 | 3 | <ul style="list-style-type: none"> Membership of NALC/LALC Threats and opportunities reported to Council meetings. Special meetings called as required. Council to be kept informed | <ul style="list-style-type: none"> Council and Clerk Council and Clerk Clerk Clerk |
| 10 | Loss of Council paper records or computer files. | Inconvenience in tracing information particularly legal and historical records. | 1 | 3 | 3 | <ul style="list-style-type: none"> All computer files stored in the Cloud Paper records stored at the clerk's house | Clerk |
| 11 | Council assets subject to inclement weather, vandalism, theft, malicious or accidental damage. | Injury to public because of any malfunction. | 1 | 3 | 3 | <ul style="list-style-type: none"> Insurance cover for public liability and replacement value. Regular inspections, especially over the festive period. | Council and Clerk |
| 12 | Precept not submitted on time, or not paid by RVBC or inadequate for purpose. | Reduction in Council's financial resources and inability to deliver services | 1 | 3 | 3 | <ul style="list-style-type: none"> Budget and precept considered each Nov/Dec. Regular reviews against budget Reminder sent out by RVBC | Council and Clerk |

| # | Description of Risk | Impact | Likelihood | Impact | Risk Rating | Mitigation | Responsible |
|----|--|--|------------|--------|-------------|---|---|
| 13 | <ul style="list-style-type: none"> Salaries wrongly calculated and paid. False employees registered for payment Tax and NI deductions incorrect | Reduction in Council's financial resources and impact on the Council's reputation. | 1 | 3 | 3 | <ul style="list-style-type: none"> All payments authorised in accordance with Financial Regulations and authorised by two members. Regular budget comparison at Council meetings. Individual payments considered at Council meetings. Payroll services company employed to calculate clerk's salary and HMRC payments. | Council and Clerk |
| 14 | Payments made for goods not received | Reduction in Council's financial resources. | 1 | 3 | 3 | <ul style="list-style-type: none"> Purchases made from reputable known suppliers. Generally, only paid after receipt of goods/service. | Clerk/Council |
| 15 | Insufficient reserves | Inability to deliver Council services and impact on the Council's reputation. | 1 | 3 | 3 | <ul style="list-style-type: none"> Annual Budget approved with regular reviews. New expenditure only undertaken where reserves allow. Reserves maintained at levels commensurate with expenditure commitments and historical experience | Council and Clerk |
| 16 | Loss of key personnel | Inability to operate and deliver services and impact on the Council's reputation. | 2 | 3 | 6 | <ul style="list-style-type: none"> Ensure Clerk has adequate training, support, and hours to undertake role so as to avoid stress or early departure. Ensure regular back up of computer files Ensure sufficient notice periods are provided to allow replacement. Continue membership of LALC and NALC for advice. Maintain regular contact with the Clerk. | <ul style="list-style-type: none"> Council Clerk Council Clerk and Council Council |
| 17 | Failure to comply with procedures for awarding contracts of goods and services | Reduction in Council's financial resources. Inability to deliver services Impact on the Council's reputation | 1 | 3 | 3 | <ul style="list-style-type: none"> Ensure adherence of Standing Orders and Financial Regulations for awarding of contracts Ensure contractors have necessary appropriate risk assessments and insurances in place. Procedures in place and payments approved in accordance with Financial Regulations | Council and Clerk |
| 18 | Trees located on Council owned land. | Risk to persons and property from falling trees, branches, and root ingress. | 2 | 3 | 6 | <ul style="list-style-type: none"> Maintain a regime of regular tree inspections in all locations. | Council and Clerk |

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|----|--|---|------------|--------|-------------|--|-------------------|
| | | | | | 3 | <ul style="list-style-type: none"> • Insurance cover for public liability and replacement value. | |
| 19 | Asset maintenance. | Loss or damage to asset or injury to third party or property. | 1 | 3 | 3 | <ul style="list-style-type: none"> • Maintain a regime of regular inspection in locations where the asset is located or held. • Insurance cover for public liability and replacement value. • Annual review of the asset register for insurance provision and AGAR. | Council and Clerk |
| 20 | Council's reputational loss | Council cannot function properly. | 1 | 3 | 3 | <ul style="list-style-type: none"> • Ensure Standing orders, and Financial Regulations are up to date. • Ensure internal audit is adequate. • Ensure tenders and quotes follow procedures. • Ensure Members are adequately trained. • Ensure Clerk is adequately trained. • Develop training programme for Councillors. • Retain membership of NALC and LALC. • Ensure members interests are recorded. | Council and Clerk |
| 21 | Loss of Councillors resulting in meetings being inquorate. | Council cannot function | 2 | 3 | 6 | <ul style="list-style-type: none"> • Ensure Councillor numbers retained at 100% by co-option. • Create waiting list of co-optees • Follow up with Councillors not attending meetings | Council and Clerk |

4. Possible actions to further mitigate potential risks.

The table below sets out additional mitigation measures the Council may consider.

| # | Description / Impact | Additional Mitigation | Responsible |
|----|---|---|-------------------|
| 8 | Actions against the Council for. <ul style="list-style-type: none"> • Libel or slander • Breaches of employment law. • Unfair dismissal. • Employment grievances. Substantial costs and reputational damage to the Council. | Consider retaining the services of professional advisors e.g. human resource/legal advisor. | Council and Clerk |
| 10 | Loss of Council paper records. Inconvenience in tracing information particularly legal and historical records. | Look to digitize all hardcopy records and correspondence. | Council and Clerk |

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