DINAS POWYS COMMUNITY COUNCIL

RISK MANAGEMENT POLICY & STRATEGY

A policy which sets out how the Council will identify, quantify, manage, assess and review risks.

Re-approved by Full Council – 20 June 2024 – Item 33a

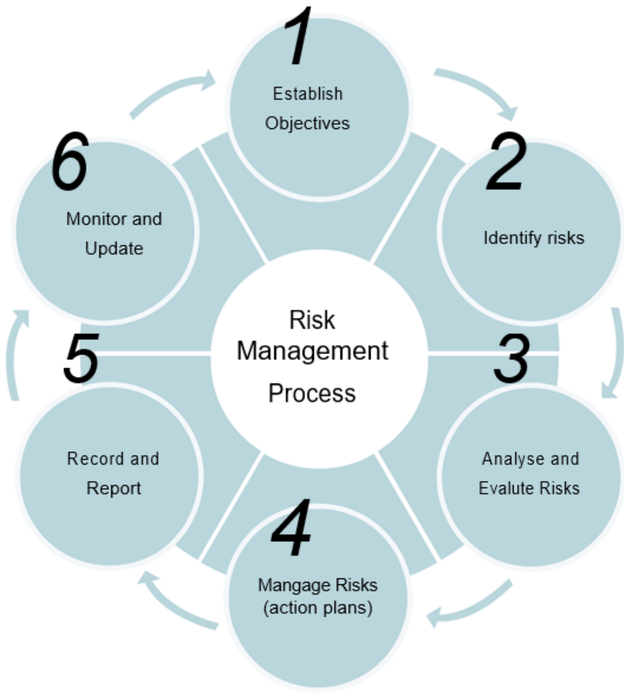
Definitions: Risk and Risk management

'Risk' can be is defined as 'The effect of uncertainty on objectives.

Risks are generally threats, incidents or adverse events that, should they arise, would prevent the achievement of ambitions.

Risks can be classed as internal or external facing. Internal risks are those faced by the council from within the organisation, that arise from routine day to day activities such as administering budgets, managing staff and operating IT systems. External risks are those that arise from outside the council but may still have an adverse impact on its activities. We have more control over the internal risks as they can be managed with a greater level of reliability. External risks, however, are harder to manage as we have less control over whether they occur, for example a major cyber-attack or extreme weather conditions.

Many risks come and go as the environment changes, eliminating the risk or reducing it to a very low level. However, there are a set of 'standing' corporate risks that the council will always have to manage such as safeguarding, financial challenge, major incidents, climate change, health and safety and information management issues.



Risk management' is a term used to describe the series of co-ordinated activities designed and operated to manage risk within an organisation and is a central part of that organisation's strategic management.

Risk management is an essential part of the council's governance and leadership arrangements and is fundamental to how the organisation is directed, managed and controlled at all levels. Effective risk management enables the council to make informed decisions about the challenges and risks that it wants to take on and helps target resources towards achieving the best possible results.

The council cannot be totally risk averse in its activities and risk needs to be managed rather than avoided. By being risk aware and having adequate risk management arrangements in place, the council will be well placed to manage threats and take advantage of opportunities.

Purpose of Document

This document has been produced to enable the Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Council is aware that although some risks can never be eliminated fully, it has a strategy that provides a structured, systematic and focused approach to managing risk, which:

Identifies the key risks facing the council

Evaluates the level of risk

Assigns the management and control of the risk and records findings

Reviews, assesses and revises procedures where required.

The details of these are contained in the Schedule to this document which categorises them into Management; Employees; Finance; Information and Data; Liability; Property; and Assets

Introduction

- 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.
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- 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 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.

- 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, likelihood of its 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.

- 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.

- The plan forms part of the internal control arrangements of the Council and will be used as part of the process of the audit by the Council's Internal Auditor.

- 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.

Assessment Criteria

<u>Rating and Classification of Risks</u>

Rating	**Classification**	
Potential Consequence Score: 1-5	1-5	Low
Likelihood of Happening Score: 1-5	6-10	Medium
Severity Level Score: Potential Consequence x Likelihood	11-15	High

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	Establish budget process in place with Finance and GP Committee considering the draft budget in November and Council approving the budget and precept in December of each year.
	Inadequacy of the Precept	5	1	5	Low	Clerk to notify the Dinas Powys Community Council of precept in January each year. Financial comparison reports to be considered by the Finance and General Purpose Committee every quarter enabling it to assess income and expenditure against budget headings. Schedule of Expenditure and 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.
Rental Fees for Allotments	Rental fees are not received for every tenant in a timely fashion	4	1	4	Low	Clerk / Assistant Clerk to invoice allotment tenants in September as well as at intervals during the year when new tenants commence mid-term. Receipts to be issues for all rental fees received and be attached to the 'annual renewal fee letter' stating amount owing for the purpose of internal audit checks.
	Tenants fail to meet conditions of tenancy agreement conditions of tenancy agreement	3	3	9	Medium	Members of the COSAC Committee to schedule regular allotment inspections, particularly during the growing season. Clerk or Assistant Clerk and allotment representative also to attend. This is 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 agreement conditions and where appropriate termination letters to be issued by the Clerk

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Rental Fees for Highways Unit	Rental fees are not received for every tenant in a timely fashion		1	4	Low	Clerk/Assistant Clerk to invoice Tenants (quarterly, twice yearly depending on the agreement). One current tenant has set up a monthly Direct Debit to ensure payment is paid on time.
	Tenants fail to meet conditions of tenancy agreement conditions of tenancy agreement		3	4	Low	Warning Letters to be issued to Tenants who fail to comply with the Tenancy agreement conditions and when appropriate termination letters to be issued by the Clerk
Bulrial Board Fees & relevant paperwork	Burial and Memorial fees not received in a timely fashion.	2	2		Low	Clerk/Assistant Clerk to invoice Funeral Directors once a date for interment has been arranged. Ensure payment is received in advance of the interment date. Log all payments in Burial Board Receipt Book for the purposes of the Annual Audit
	Notice of Interment Form or Cremation Certificate not delivered to office in advance of date of interment.	1	2		Low	Ensure Funeral Directors provide relevant paperwork in advance of the Interment date - and to advise them if not, the interment cannot go ahead.
	Application to Erect a Memorial and payment not presented to Council	1	2		Low	Check all requests with details held in the Burial Board books. Ensure the 'grave owner' has signed the application form. Log all payments received in Burial Board Book and attach copy to every application received for the purposes of the Annual Audit
Burial Records	Incorrect details entered into the Burial Board Records	1	1	1	Low	Clerk/Assistant Clerk to ensure all details received from Funeral Director are logged correctly in the books. Applicants details to be logged into the Records- to include Burial Grant number

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Invest income	Loss of income due to type of investment made	5	1	5	Low	Council's Investment Strategy to be reviewed by Finance and GP Committee, before presenting it to Full Council/or Annual Meeting of Council. Focus on investments to be based on stability and liquidity rather than an over focus on investment gain.
Hire Charges for Halls	Hirers fail to pay hire charges	5	2	10	Medium	All hirers to complete hiring agreement and return to office with bond and venue hire payment. All bookings are inputted on 'Halls Master' which issues an invoice number. Regular users to pay monthly in arrears and Clerk/Assistant Clerk to pursue outstanding payments. Payments received are logged on a monthly basis for the purposes of the Audit.
	Hirers cause damage to halls	5	2	10	Medium	Hiring agreement requires hirers to meet the cost of any damage caused to the hall. Which is signed by the hirer. Bond is not to be refunded. (the value of the bond is dependent on the type of event £25 children's parties - £200 for wedding). 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.

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Earmarked Reserves	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.
General Reserves	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.
Loss of Money	The Loss of petty cash held by the Clerk	2	1	5	Low	The petty cash account held by the Clerk/RFO be limited to £100. A signatory, plus the Clerk to sign for a cheque of £100 as and when required. A petty cash book be logged and balanced on a monthly basis and all payments supported by receipts.
	Non recording of cash payments	2	1	5	Low	Cash payments received relate to payments received for garden and dog waste bags. All such payments to be receipted in the 'miscellaneous income book'. Cash payments to be kept in a separate cash tin; and banked monthly. Additional cash payments include payments for Hall hire. Receipt and date of of payment logged on to original invoices. Cash is kept in separate box and banked monthly.
	Loss due to fraudulent action by employees	5	1	5	Low	All payments to signed and authorised by one Councillor against invoices / receipts. A Schedule of Accounts is presented to Full Council on a monthly basis. All expenditure approved by Council and accounts subject to internal audit and Council scrutiny.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Gardening Equipment	Theft or damage to Gardening equipment Injury to user	3	2	6	Medium	Equipment to be locked away and chained in maintenance shed area when not in use. There is always the danger of a break-in but insurance is secured to cover losses. Ensure staff are trained on how to use equipment correctly.
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 when appropriate to assess the adequacy of the performance of the Contractor and Clerk 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 to be available at all times.
Council Bank	Fraudulent use	3	2	6	Medium	The Clerk. Assistant Clerk and Manager pay for items with their own personal bank cards. A Payment Authorisation Form processed, to refund any spending. The form lists all payments made and must be accompanied with all receipts in order to refund any spending. Authorisation form to be signed by a Signatory before processing the refund. Note: Internal Auditor has suggested that the Council consider applying for a credit to be used for purchases.

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Salaries and Wages	Salaries and wages are paid at incorrect rates	5	1	5	Low	All wages and salary levels to be determined annually in accordance with NALC (National Association of Local Councils) and recorded in the Finance and GP Minute. Recommendations to be brought forward to be Approved by Full Council.
	Income Tax and NI not deducted and/or not paid to HMRC Pension not paid	5	1	5	Low	Basic PAYE Tools (RTI) is used to process salary and wages payments, including Tax and NI Deductions. For HMRC. and pay to HMRC by due dates. Monthly Direct Debits are set up to pay HMRC and Pension payments, to ensure all deductions are paid on time. Staff notified of Pension. Council staff registered with the Pensions Regulator. Finance and GP Committee to monitor salary and wages payments in accordance with budget. Clerk produces a separate spread sheet, to record staff monthly payments and deductions made.
Recovery of VAT	VAT not recovered from the HMRC	4	1	4		Clerk/RFO to make claim for reimbursement on an annual basis. Finance and General Purpose Committee to monitor receipt of VAT and Internal Auditor to check claims have been made as appropriate. Note: Internal Auditor has recommended the Council make quarterly claims
Payment of Grants	Appropriate approved grant claims not submitted	4	1	4	Low	Clerk to be responsible for processing grant claims to Finance and General-Purpose Committee. The internal Auditor to check that grant payments have been received.

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Councillor Allowances	Allowances not paid In accordance with The IRPW's scheme	4	1	4	Low	Clerk to ensure that all claims are appropriately submitted with Councillors being required to complete claim forms supported by receipts as appropriate.
Training of Councillors	Councillors do not have the necessary skills and knowledge to perform their roles	4	2	8	Medium	Council to have an annual training budget and all Councillors be required to commit themselves to appropriate training
Council Assets (Hall, play areas	Health and Safety Requirements are Not addressed	5	2	10	Medium	Hall Committee has a strict regime for managing annual health and safety requirements (e.g. electrical inspections, fire extinguisher checks, fire risk assessment, PAT Testing, Boiler Service etc.). Clerk 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 regularly. Maintenance Manager and Cleaner to report any Maintenance issues to the Clerk. Budget is set annually to address non-urgent maintenance requirements.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Availability of staff	Main issue concerns Any long term Absence of the Clerk and other members of Staff	5	2	10	Medium	Access to SLCC's locum service or contact neighbouring Councils to see if cover can be provided by other serving Clerks. Speak with previous Clerk to see if able to return on a free-lance basis. Use contractors to cover grounds works or cleaning, usually undertaken by Maintenance Manager and Cleaner as a temporary measure. Council to nominate one of its members to cover the essential duties on a nun-remunerated basis i.e. to act as RFO.
Common & other	Inappropriate use of the common and other spaces run by the Council	3	1	3	Low	Signpost in place to warn of penalties for inappropriate use - such as littering, galloping horses across the Common. Anyone wishing to hold an event on the Common must put their request in writing to Council.
	Damage to Play area's	4	3	12	High	Regular inspection by the maintenance manager. Annual inspection by independent play inspector. Corrective action taken by Maintenance Manager or 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. Three yearly tree inspection by a specialist Tree Surveyor is currently in place. Recommendations of works to be carried out in accordance with the report by a Tree Surgeon..

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Data Protection	Compliance with Data Protection Act 2018	5	2	10	Medium	Ensure that all aspects of compliance are completed that Data Protection principles are observed and data. Retention policy is implemented. Ensure files and personal information is locked away.
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 office safe and archived files held in a suitable locked up facility in the Old Library archive cupboards. The office computers are backed up onto an external drive once a month and stored in the office safe.
Financial Records	Financial Records Are lost or Damaged.	5	2	10	Medium	Financial records are audited annually. Hard copy files are then held in a suitable locked up facility in the Old Library and or basement. All transaction data and the cash book are maintained by numbering our invoices and eceipt books.

Health & Safety Assessments	Activities of the Council is not Risk assessed and Arrangements Regularly monitored.	5	2	10	Medium	The Clerk has responsibility for ensuring that risk assessments are prepared and regularly monitored.

Risk Item	**Risk Identified**	**Potential Consequence**	**Likelihood**	**Severity Score**	**Classification**	**Measures to be taken to reduce, minimise or control risk**
Dyability Discrimination	Council's facilities Are not compliant with the legislative Requirements.	5	2	10	Medium	The Council has an Equality and Diversity Policy. Attention is given to the needs of those with a disability such as access to the Parish and Lee Hall – the provision of disabled toilets in both Halls. there is currently only one disabled parking space on the main highway outside the Halls.
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. Each form needs to be signed and date with the declaration of interests are to be published on the Council's website.
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).

Manual Handling	Staff and volunteers may suffer back pain if they try to lift objects that are too heavy or awkward	5	3	15	High	Trollies available to move heavy equipment and users know where these are kept. Ensure staff are kept update to date with manual handling training.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
All Employees (including new starters and newly promoted staff)	Consider and manage risk effectively in their job and report hazards, risks or opportunities to their manager or other responsible team / office (including new starters and newly promoted staff)	5	2	10	Medium	The Clerk has responsibility for ensuring that risk assessments are prepared and regularly monitored. Maintain an awareness of risks and contribute to the control / action process as appropriate. Report incidents, risks and opportunities following Risk Management Policy and Strategy. All staff to be trained in good house keeping and manual handling.
Lone Working	Staff may suffer sudden illness / accident while working alone and be able to summon help.	5	2	10	Medium	Staff to nofitiy office staff when any work to be undertaken in locations such as the Common and Cemetery. Give a time frame of how long the work should take and inform when they have returned. Staff to be advised to keep mobile phone on them at all times.

Hazardous Substances	The Cleaner and Maintenance Manager risk skin problems e.g Dermatitis and eye damage from direct contact with cleaning chemicals.	5	3	15	High	All staff trained to used product safely e.g. follow instructions on label, dilute properly and never transfer to an unmarked container. Cleaner and Maintenance Manager lock all products away safety after every shift.