Horley Town Council
Risk Management Strategy

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Risk Management
Introduction

The guidance booklet produced by NALC and the Society of Local Council Clerks entitled "Governance and Accountability in Local Councils in England and Wales – A Practitioner's Guide" 2014 states that, as a minimum, members should:

➢ Take steps to identify and update their record of key risks facing the Council;

➢ Evaluate the potential consequences to the council if an event identified as a risk takes place;

➢ Decide upon appropriate measures to avoid, reduce or control the risk or its consequences; and

➢ Record any conclusions or decisions reached.

After identifying and evaluating the risks, councils need to decide upon appropriate measures to be taken in order to avoid, reduce or control the risk or their consequences. The council's internal auditor will have a role in reviewing the effectiveness of control measures that the council decides to put in place. The external auditor will also take into account whether the risks are adequately controlled.

Corporate Risk Management Policy Statement

1. Policy Statement

Horley Town Council recognises that, in addition to its statutory duties, it has a responsibility to manage risks effectively in order to protect the community, its employees, assets against potential losses and minimise uncertainty.

The Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

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

2. Objectives

The objectives of the Town Council's risk management strategy are to:

➢ Integrate risk management into the culture of the Council.

➢ Identify risks.

➢ Manage risk in accordance with best practice.

➢ Consider and respond to changing social environmental and legislative requirements.

➢ Put in controls to minimise risk.

These objectives will be achieved by:

➢ Establishing clear roles and responsibilities Awareness and training as appropriate.

➢ Incorporating risk management considerations into the Council's management processes – for instance new projects.

➢ Monitoring

3. Categories of Risk

Risks can be put into two main categories: Strategic and Operational. This list is not exhaustive.

Strategic Risk

Strategic Risks are those that need to be taken into account in any judgement about the medium and long-term goals and objectives of the Council. These may be:

Economic:
The Council's ability to meet its financial commitments.

Social:
The effects in changes in demographic, residential or socio-economic trends on the Council's ability to deliver its objectives.

Environmental:
The environmental consequences of service delivery (in terms of energy efficiency, pollution, recycling, landfill needs, emissions etc).

Technological:
The Council's ability and capacity to deal with technological changes or changing demands.

Legislative:
Current or potential changes in national or European law.

Competiveness:
The competitiveness of the service/the ability to deliver best value.

Customer:
Failure to recognise the changing needs and expectations of the community.

Operational Risks:
These are risks that affect the day to day management of the Council. These may be:

Financial
Financial planning and control and the adequacy of insurance cover

Legal
Possible breaches of legislation.

Physical
Security of buildings and equipment, accident prevention and health and safety, fire risk etc.

Contractual
Those associated with the failure of contractors to deliver services or products to the agreed cost and specification.

Technological
Relating to a reliance on operational equipment, such as IT systems etc.

Environmental
Relating to pollution, energy efficiency of ongoing service operations.

4. Risk Identification process

Strategic Assessments:

Strategic Assessments have been prepared based on the risk management document reviewed by Full Council annually. These are shown in Section B (1) of this document.

Generic Risk Assessments – Operational:

Generic risk assessments based on the current risk management document, reviewed by Full Council in annually, have been carried out. These are shown in Section B (2) of this document.

New Projects:

When new projects are undertaken, the risks will be identified and scored using the matrix shown on page 7 and the analysing risk form shown at 3.1. Controls if required will then be added.

The reports to the Committees will include information on the risks and how these can be mitigated.

The Management and Performance Committee will be responsible for monitoring the risks.

Scoring:

The evaluation exercise will result in a risk score from which significant risks can be established. This will be based on likelihood and impact.

Details of the matrix in respect of scoring is shown on page 7.

Scoring Matrix

Likelihood

High   For example – is a daily activity, is out of Town Council control or there is a history of events.

Medium   For example – Takes place on a regular basis

Low   For example – is a rare event or the hazard is secure with little to no danger

Impact

High   For example – could cause serious injury or death, cause financial loss over £10,000, break the law, is fraudulent or would cease Town Council functions

Medium   For example – risks are managed within the Council

Low   For example – the dangers are low or it would have little to no effect on Council services

RISK ASSESSMENT MATRIX				
	3	**High**	4	5	6
	2	**Medium**	3	4	5
Likelihood of risk	**1**	**Low**	2	3	4
			1 Low	**2** Medium	**3** High
			Impact of risk happening		

Immediate Action required	
Consider action and have a contingency plan	
Consider action or keep under review	

3.1
Analysing Risk - Form

Proposal	
Risk	

Likelihood	Example
High	Is a daily activity, is out of Town Council control or there is a history of events.
Medium	Takes place on a regular basis
Low	Is a rare event or the hazard is secure with little to no danger

Impact	Example
High	Will cause death, cause substantial financial loss, break the law, is fraudulent or would cease Town Council functions
Medium	Risks are managed within the Council
Low	The dangers are low or it would have little to no effect on Council services

	Assessment criteria Does the proposal:	Yes	No	Impact	Like-lihood	Score	Actions or comments to minimise the risk
1	present a potential risk to the Council finances						
2	present a potential risk to staff or health and safety						
3	present a potential risk to the public						
4	present a potential risk to the Council's reputation						
5	create adverse publicity						
6	leave the Council open to claims						
7	have a negative impact on Service Quality/complaints or audit reports						
8	a potential risk that the Council may fail to comply with any duty						

Overall assessment of the proposal/situation or risk outline above	HIGH/MEDIUM/LOW

Risk Assessor……………………………………………………

Reviewed by…………………………………………………

3.2

Controlling the Risks:

Risk control is the process of taking action to minimise the risks identified. There are a number of options available for controlling risks.

Control and Reduction :

Introduce new internal systems/practices, physical risk improvements, staff training, continued assessments and monitoring.

Avoid or Eliminate:

Take away the risk by implementing alternative systems/practices or discontinuing the operation.

Acceptance:

Taking an informed decision to accept and tolerate the risk but continue to monitor.

Transfer:

Pass on to others through outsourcing, insurance cover or alternative contractual arrangements.

Sharing:

With another party

Roles and Responsibilities:

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Therefore, elected members will lead and monitor the approach to be adopted.

5. Monitoring and Evaluating

Roles and Responsibilities:

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Therefore, elected members will lead and monitor the approach to be adopted. This will include:

> Approval of Risk Management Strategy.

> Analyse key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed.

> Consider, and if appropriate, endorse the Annual Statement of Internal control.

> Assess risks when setting the budget, including any bids for resources to tackle specific issues.

	Approving Body	Monitoring and Evaluation
Risk Management Strategy	Full Council	Finance & General Purposes Committee
Analyse key risks in reports on major projects and services	Full Council	Finance & General Purposes Committee
Annual Statement of Internal Control	Full Council	External Auditor
Budget setting	Full Council	Finance & General Purposes Committee

HORLEY TOWN COUNCIL

STRATEGIC RISKS

Risk	Impact	Likelihood		Actions to Minimise Risks Internal Control
Disaster impacting on the town	High	Low		Accept instructions from Category 1 responders, i.e. Emergency Services and RBBC
				Emergency contact list and list of resources maintained by Officers
				Key individuals made available
				HTC buildings available for use as control/rest centres Emergency Committee and Officers to determine appropriate action, if required
Town Council Offices unusable	Medium	Low		No life-critical services provided
				Emergency Committee and Officers to meet to determine priorities
				Short term measured recovery in an alternative location
				Medium/long term plan to return to Council Offices
				Adequate insurance
Sudden loss of staff	Medium	Low		Tasks shared to reduce impact
				Succession plans discussed
				Use of agencies/recruitment
				Internal training between colleagues
Loss of financial assets of the Town Council, e.g. sudden large expenditure required or excessive under-budgeting	Medium	Low		Council has established adequate reserves
				Finance Committee review budgeting monthly
				Monitoring of all budget variances are undertaken
				Insurance in place to cover major risks
Fraud	Medium	Low		Procedures and systems in place to prevent/detect including authorisation, internal audit and
				external audit
				Task sharing
				Informal and formal monitoring and spot checks
				Insurance in place to cover any resulting financial losses
Damage to third party property or individuals as a	Medium	Medium		Regular health and safety risk assessments

consequence of the Council providing services or amenities to the public (public liability)			Regular safety checks Adequate insurance Training
Damage to third party property or individuals as a consequence of the Council putting on a Community and Civic Events	Medium	Medium	Health and Safety risk assessments carried out for each event Event manual produced covering all aspects of the event including an emergency plan

Risk	Impact	Likelihood	Actions to Minimise Risks Internal Control
			Adequate insurance cover – public liability is £10m Checklists and briefings with staff and volunteers before and after event
Contractors not supplying agreed services	Medium	Low	All contracts are controlled by defined contracts or service level agreements Contracts/agreements monitored as required by relevant officers (and Committees) and relevant corrective actions taken
Damage to physical assets owned by the Council – buildings, furniture, equipment etc.			An up to date register of assets Physical verification of assets held on register Regular safety checks on physical assets (see Health & Safety) Regular maintenance arrangements for physical assets (work schedules) Insurance regularly reviewed Disaster recovery procedure being reviewed

HORLEY TOWN COUNCIL
RISK ASSESSMENT
A – Council meetings, Committees, Sub-Committees and Working Parties

Main objective: To provide an efficient and effective service at meetings and ensure that all decisions taken are legal
Identified Risks: Council's activities are within legal powers; Members act within legal powers

Activity/Task	Impact	Likelihood	Actions to Minimise Risks Internal Control
Business activities within legal powers applicable to local councils	Medium	Low	Standing Orders and Financial Regulations Terms of Reference for each Committee, Sub-Committee and Working Party Expenditure agreed under specific cost centres, in which legal powers are applicable to local councils Reports to Committees highlighting legal constraints Training Keeping abreast of current legislation
Record of meetings	Medium	Low	Minutes properly numbered and paginated with a master copy kept in fireproof cabinet. Separate Minute books for each Committee (for ease of reference) Minutes signed at following meeting by Chairman/Mayor Electronic copies kept and backed up
Electors wishing to exercise their rights of inspection	Medium	Low	Freedom of Information Act – list of documents available for inspection Town Council adopted publication scheme on 24th November 2008 and reviewed and updated this in November 2011.
Register of Members' interests, gifts and hospitality	Medium	Low	Procedures in place for recording and monitoring members' interest and gifts and hospitality received Following elections in May 2011, all Town Councillors completed declaration of interest forms and submitted to Monitoring Officer. Following Localism Act 2011, declaration of interest forms need to be completed within 28 days of adopting

			new Code of Conduct. The new Code of Conduct (based on model produced by West Berkshire Council) was adopted in July 2012.
Irresponsible behaviour; defamation etc by Members	Medium	Low	Following Localism Act 2011, a new Code of Conduct was adopted on 30th July 2012.
Grants to local community bodies	Medium	Low	Procedures in place for dealing with and monitoring grants made
Proper document control	Medium	Low	Procedures in place for document receipt, circulation, response, handling and filing

HORLEY TOWN COUNCIL
RISK ASSESSMENT
B – Management and Administration

Main objectives:
To ensure that the Town Council's functions and services are managed efficiently, legally and effectively
To ensure that the Staff carrying out duties do so efficiently and safely

Identified Risks: Mismanagement of funds, theft, etc.; Council's activities not within legal powers; property and equipment not maintained to safe standards; safety of equipment; unsafe custody of legal documents; improper use of Town Council's property and equipment.

Activity/Task	Impact	Likelihood	Actions to Minimise Risks Internal Control
Financial records in accordance with statutory requirements	Medium	Low	System controls within the accounting package Segregation of duties Regular scrutiny of financial records Proper arrangements for approval of expenditure Checks by Internal Auditor
Management/Administration of Financial matters: Accounts, payroll, invoicing, monitoring	Medium	Low	Documented procedures in place, monitoring schedule, internal audit and external audit
Customs and Excise Regulations	Medium	Low	Regular returns of VAT Keeping abreast of current legislation Internal and External Audit
Management/Administration of Services provided: Allotments, burials, halls, General Enquiries/Complaints	Medium	Low	Documented procedures in place, complaints log, monitoring. Keeping abreast of current legislation
Personnel Management	Medium	Low	Job Descriptions Contracts Equal opportunities (see Equal Opportunities Policy) Health and Safety (see Health and Safety Policy) Appraisals, supervision and staff meetings

			Disciplinary Procedures
			Grievance Procedures
			Training (see Training Policy Statement)
			Work Schedules
			Review of policies and new policies February 2014
Employment Law and Inland Revenue Regulations	Medium	Low	Contracts of employment for all staff, systems of updating records of changes in relevant legislation Ensuring West Berkshire Council, Payroll Section, are informed of all pertinent details

Activity/Task	Impact	Likelihood	Actions to Minimise Risks Internal Control

Insurance:
    The risk of consequential loss of income or the need to provide
    essential services following critical damage, loss or non- performance by a third party
    Loss of cash through theft or dishonesty (fidelity guarantee)
    Legal liability as a consequence of asset ownership (public
 	
    liability)
	Medium	Low	Annual review of risk and adequacy of insurance cover

Document control	Medium	Low	Documented procedures for document receipt, circulation, response, handling and filing Deeds of property, Minutes, Bank Statements and other financial papers which require secure keeping are kept in a fireproof safe.
Computers – proper use of computers, internet etc.	Low	Low	IT policy to be adopted by Council in 2016 All Staff sign that they will abide by IT policy document Social media policy adopted and regularly reviewed
Environmental legislation	Low	Low	Keeping abreast of legislation Environmental Policy adopted by the Council in 2005 and reviewed in 2011 Energy audit carried out Work commenced in meeting identified savings etc Measures taken to reduce waste, eg water sensors fitted, reactive lighting etc.
Security of Buildings and equipment	Medium	Low	Documented procedure on buildings and equipment Most TTC buildings are alarmed Close monitoring of key allocation

Main Objectives:

To provide an efficient and customer-friendly service to
members of the public To ensure administrative
systems are running efficiently and correctly
To ensure financial systems are running efficiently and correctly
Identified Risks: Inefficient administrative and financial systems

Activity/Task	Impact	Likelihood	Internal Control
Records of Town Council Services, e.g. allotments,	Medium	Low	Documented procedures in place to ensure accuracy Shared information amongst staff and staff training on record keeping
Data input in respect of financial systems	Medium	Low	Documented procedures in place Software contains system controls to aid accuracy of information
Database maintenance	Low	Low	Documented procedures in place Software contains system controls to aid accuracy of information
Customer service	Low	Low	Training Knowledge of information about other services available to residents is shared Local newspapers read to obtain information which may be of use to residents Local Government journals read to keep abreast of changes in legislation etc.
Support work in respect of events, projects and Council and Committee meetings	Low	Low	Shared information, via staff meetings

Public Relations/Promoting the Town Council	Low	Low	Regular press releases with quotes to try to ensure accuracy of reporting
			Town Council web-site monitored
			Town Council's Social Media monitored in line with policy adopted

Approved by Full Council: April 2016
Next review date: April 2017