# North Nibley Parish Council – Risk Management Policy

# Legal context

North Nibley 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 comply with the Health and Safety at Work Act 1974.

# The purpose of this policy

This policy sets out how the Council will identify, assess and manage risks. This policy allows stakeholders to have increased confidence in the Council’s corporate governance arrangements and its ability to deliver its services and priorities and to maintain its integrity.

# Background

3.1 Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of North Nibley Parish Council’s objectives and possibly impact on its reputation. Risk management is the process whereby the Council methodically addresses the risks associated with what it does and the services it provides. The focus of risk management is to identify what can go wrong and take proportionate steps to minimise the impact of the risks identified, or successfully manage the consequences if the risks occur or terminate the activity that could cause the risk. Effective risk management allows stakeholders to have increased confidence in the Council’s corporate governance arrangements and its ability to deliver its services and priorities.

3.2 Risk management is not just about financial management; it is about protecting the ability of the Council to deliver high quality and safe public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The Council generally and members individually are responsible for risk management of the activities associated with the running of the Parish Council.

 3.3 Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks (probability and impact); managing the risks to a level which is as low as reasonably practicable; and reviewing and reporting.

# Identifying risks

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 and is carried out as a minimum on a yearly basis and when a risk is identified during the course of Parish Council work.

4.2 The Council will identify the key risks to successfully achieving its outcomes and services, in the following categories:

a) assets – damage to and loss/theft of property;

b) financial – loss of money, fraud, theft, embezzlement;

c) liability – breaking the law or being sued which includes Health and Safety requirements, damage to third party property, injury to third parties and employees;

e) IT – failure of IT systems or misuse; and

f) Councillor propriety – actions taken could harm the authority’s public reputation.

4.3 Separate general risk assessments are carried out for each Council asset and for any new services and events, in line with the requirements of the Council’s insurers. These are carried out by the Clerk and or Councillors. All general risk assessments are reviewed by the Clerk and or full Council when the risk assessment has been carried out and by Full Council at least annually. The following general risk assessments are carried out. The review/assessment timescale is stated beside each one.

a) Notice Boards – **Quarterly (Jan, Apr, Jul, Oct)**

b) War Memorial at Cemetery – **Visually Checked Annually (April)**

c) North Nibley Cemetery - **Monitored Monthly (any issues reported in burial clerk’s monthly report and recorded in minutes where action is required)**

d) St. Martin’s Churchyard – **Monitored Monthly (any issues reported in councillor’s or clerk’s monthly report and recorded in minutes where action is required)**

e) Recreation Field– **NNPC is the owner. However responsibility for the management of the playing field lays with The Recreation Field Trust. This includes the general maintenance including grass and hedge cutting. NNPC to receive reports from trust annually**

f) Recreation Field exercise equipment– **Monitored Monthly (any issues reported in councillors or clerk’s monthly report and recorded in minutes where action is required)**

g) Trees in cemetery and churchyard - **Visually Checked Annually (April) and also after periods of adverse weather. Independent checks carried out by professional arborist every three years. Next check to be arranged during 2022**

# Assessing risks

5.1 Having identified potential risks, the Council assesses the probability of it happening and the impact it would have, using JPAG’s recommended assessment process. This allows the Council to identify low, medium and high risks when considering measures it should take.

5.2 North Nibley Parish Council’s risk assessment matrix:

Probability



Impact on the Council and Parishioners

Table for assessing risk

|  |  |  |  |
| --- | --- | --- | --- |
| Probability | Unlikely | Medium | High |
|  | <10% | >10% <70% | >70% |

|  |  |  |  |
| --- | --- | --- | --- |
| Impact | Negligible | Moderate | Severe |
|  | * Cost <£500.
* Minor hazard to Health.
* FOI request received.
 | * Cost >£500 <£5000.
* Possible minor injury.
* Damage to Parish Council reputation.
 | * Cost >£5000
* Life threatening incident.
* Parish Council compromised in carrying out its role.
 |

# Managing risks

6.1. Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk, which is initiated within the Council, is called ‘internal control’ and may involve one or more of the following standard responses:

|  |  |
| --- | --- |
| Tolerate  | For risks that are containable; where the possible controls cannot be justified (e.g. they would be disproportionate) and where risks are unavoidable (Probability of event is very low and impact is very high or the risk could not be reasonably expected to occur)e.g. terrorism.  |
| Treat  | Imposing controls so that the organisation can continue to operate; or introducing measures to deal with the risk by reducing either the probability of the risk occurring or the impact if it does occur.  |
| Transfer  | Buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.  |
| Terminate  | Avoiding or cancelling activities where no response can bring the risk to an acceptable level. The risk therefore no longer exists. |

6.2 The Council will use insurance (transfer risk) to help manage risk including the following :

a) The protection of physical asserts owned by the authority – buildings, furniture, equipment etc (loss or damage);

b) The risk of damage to third party property or individuals as a consequence of the authority providing services or amenities to the public (public liability);

c) 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 (consequential loss);

d) Loss of cash through theft or dishonesty (fidelity guarantee);

e) Legal liability as a consequence of asset ownership (public liability).

6.3 The limited staff resources available to the Council means that it works with specialist external bodies to help manage risk include the following:

a) Maintenance for war memorial, boundary walls/fences, amenities or equipment;

b) The provision of services being carried out under agency/partnership agreements with principal authorities;

c) Banking arrangements, including borrowing or lending;

d) Professional services (planning, architects, accountancy, design, Solicitors etc.).

# 7. Reviewing and reporting

7.1 Having identified likely risks, the Council records this in the North Nibley Parish Council Risk Register (Appendix 1). This register is kept under review by the Clerk and recorded at the time that a risk is raised and is reported to Full Council at least once a year, in December. In terms of a new safety risk this is raised with the parish council at the earliest opportunity for action.

7.2 The Council seeks advice and guidance on risk management from its insurers, JPAG, the National Association of Local Councils, GAPTC and the Society of Local Council Clerks and other training providers. The Council provides training for its staff through the ILCA and CiLCA qualifications and additional specialist training where appropriate.

| **Category** | **Risk** | **Mitigation Action**Current Action and Actions required\* | Probability (Pre/ post mitigation) | Impact (Pre/ post mitigation) | **Risk rating** |
| --- | --- | --- | --- | --- | --- |
| **Assets/Safety** | 1.1Damage occurs to Parish Council capital assets resulting in a loss of availability to the community and expenditure to reinstate. There could also be an impact from a safety perspective from breaking off of branches of trees (Perhaps this should be a separate risk just for the trees and the link to possible injury to parishioners) | Transfer Risk Assets insured.Mitigation Action- General risk assessments carried out for all Council assets and reviewed annually as a minimum. Separate tree condition surveys carried out every three years.Action required\*-Carry out a general risk assessment on all PC assets and land. (By May 2022)-Implement outstanding actions identified in the December defibrillator risk assessment. (By January 2022)- Organise arborist assessment (By November 2022) | 2/2 | 2/1 | 4/2 |
| **Assets** | 1.2Security of equipment is compromised by malicious intent and theft resulting in theloss of assets to the parishioners of North Nibley and damage to Parish Council assets also the financial implications of rectifying the damage.  | Transfer Risk Assets insured.Mitigation Action- IT equipment held securely within Clerk’s home- One Noticeboard locked (keys held by Clerk and Chair)Action required\*- Review risk assessment procedures of PC land trustees (Knoll, Recreation Field)- Consider second lockable noticeboard | 2/2 | 1/1 | 2/2 |
| **Assets/Safety** | 1.3Failure to carry out regular maintenance of war memorial, fences/walls and equipment results in deterioration of the stonework, resulting in high reinstatement costs and possible non availability.  | Mitigation Action-Visual assessments carried out on stoneworks annually and damage/concern reported to council -Assessments of function and visual assessments of condition to be carried out monthly on exercise equipmentAction required\*-Burial clerk report to include assessment confirmation of cemetery – Councillor to report on churchyard and exercise equipment- Nominate councillors to lead on these assessments | 2/1 | 2/2 | 4/2 |
| **Finance** | 2.1 Banking - Security and accountability of financial transactions is compromised resulting in failure to account for public expenditure and result in loss of Parish Council credibility. Possible prosecution for anomalies in controlling public finance may occur. | Mitigation Action-A current account is held with Lloyds bank. Reserves are held in separate Lloyds and Nationwide accounts.- NNPC implemented a reserves policy in 2021 to be reviewed annually - Total balance and banking reconciliation is reported quarterly by clerk (RFO) for Council to ensure it does not exceed FSCS limit for public expenditure. £85k. (Any funds above £85k will be transferred to another institution via cheque with approval from Full Council) -As per Financial Regulations (FRs)at least three Cllrs are signatories, and two signatories sign cheques. Signatories may view account balances and transactions online. The Clerk is appointed Service Administrator and can set up, but not approve payments or sign cheques. | 1/1 | 2/2 | 2/2 |
| **Finance** | 2.2Risk of loss of precept income from Stroud District Council which are outside the control of the Parish Council. | Transfer risk – Insurance cover taken out.Mitigation Action-Reserves policy in place to maintain a ‘general reserve’  | 2/2 | 1/1 | 2/2 |
| **Finance/****Reputational** | 2.3Loss of public money through theft or dishonesty as a result of lack of governance and control by the Parish Council. Resulting in loss of reputational credibility for the Parish Council. | Mitigation Action-No cash is received, only cheques and online payments.-As per FRs a monthly schedule of payments is submitted to Full Council for approval.- All payments are agreed during monthly meetings of the council and two Cllr signatories are added to cheques and stubbs. – Supporting Invoices are retained by clerk and reviewed by at least two councilors at meeting -No debit or credit card in the possession of staff. | 1/1 | 2/2 | 2/2 |
| **Finance/****Reputational** | 2.4Failure to instill appropriate financial controls and records results in public money not having the appropriate level of financial governance. | Mitigation Action-As per FRs a monthly schedule of payments is presented to Full Council for approval. Each approved payment is included in the minutes.- Two Cllr signatories sign each cheque.-The Clerk (and RFO) prepares a quarterly bank reconciliation using bank statements, which is reviewed at Full Council meetings and signed by the Chairman.-The internal auditor checks a selection of transactions against the bank reconciliation, bank statements and invoices on an annual basis.Action required\*- Two Cllr to check each payment on the schedule against the supporting invoice (in hard copy or e-copy) and sign - wet signature for hard copy/ e-signature for e-copies.-One Cllr should carry out a quarterly scrutiny of the bank reconciliation, checking it against the bank statements and invoices in the accounts file. The Cllr should initial each transaction checked and sign the bank reconciliation. -Clerk should send e-copies of original bank statements to Cllrs quarterly with bank reconciliations. (March 2021) | 2/1 | 2/2 | 4/2 |
| **Finance** | 2.5 Failure to Comply with HMRC VAT Regulations resulting in apossible fine. | Mitigation Action-VAT claims calculated by Clerk (RFO) and chair and submitted annually as best practice but definitely within three years.- Internal auditor to provide double check.Clerk to submit 2020/2021 VAT reclaim by end of Jan 22 | 1/1 | 3/3 | 3/3 |
| **Finance** | 2.6 Failure to implement arepresentative budget to underlie the annual precept will result in a high overspend or underspend during the year. | Mitigation Action -Clerk (RFO) and chair prepares detailed budget for consideration by council in Dec / Jan.- Proposed budget and precept demand approved at January Full Council meeting.- Considered monthly by Full Council and revisions approved throughout the year e.g. transfers into/ from reserves.-Clerk reviews reserves as part of budgeting process. Reserves Policy set and reviewed annually to ensure reserves are adequate.Action required\*- Clerk (RFO) to prepare quarterly budget monitoring reports, to monitor receipts and payments and identify over/underspends. (March 2022) | 2/1 | 2/2 | 4/2 |
| **Finance** | 2.7 Failure to comply with borrowing restrictions grants/ CIL/S106 reporting resulting in financial penalties for the Parish Council. | Mitigation Action -PWLB repayments made by D/D and monitored by Full Council via clerk reports.-Clerk records grants/ CIL/S106 income and expenditure on excel tracker-Do nothing as no new borrowing is required. (This will need to be reviewed by the Parish Council if this situation changes).  | 2/1 | 2/2 | 2/2 |
| **Finance/****Reputational** | 2.8Failure to properly manage the development and delivery of high profile CIL and S106 projects and engage the appropriate professional services, resulting in loss/ waste of public money.  | -Do nothing as not currently applicable. (This will need to be reviewed if the Parish Council situation changes). | 3/2 | 2/2 | 6/4 |
| **Liability/ Safety** | 3.1Failure to protect third party, property or individuals as a result of accidents occurring with Parish facilities or open spaces. This could result in financial expenditure to challenge legal claims and the possibility of paying any subsequent damages for successful court claims. | Transfer risk — public liability insuranceMitigation action-General risk assessments carried out for all Council assets and reviewed annually (except for those listed below). - Separate tree condition surveys carried out every three yearsActions required\*-Carry out a general risk assessment on all council assets to bring reviews up to date-Implement checks on risk assessments carried out by trustees-Arrange for burial clerk to report on cemetery including war memorial- Arrange for councilor to report on churchyard checks -Arrange arborist check in 2022 | 2/2 | 2/1 | 4/2 |
| **Liability/ Safety** | 3.2Legal liability as consequence of asset ownership (especiallycemetery, closed churchyard, playgrounds)may occur with the public. Thiscould result in court claims of negligence in maintaining theassets and possible subsequent damages being paid out. | Transfer risk — public liability insuranceMitigation action-General risk assessments carried out for all Council assets and reviewed annually (except for those listed below). - Separate tree condition surveys carried out every three yearsActions required\*-Carry out a general risk assessment on all council assets to bring reviews up to date-Implement checks on risk assessments carried out by trustees-Arrange for councilors and/or burial clerk to report on cemetery and churchyard checks (including stonework ) within usual monthly reports-Arrange arborist check in 2022 | 2/1 | 2/2 | 2/2 |
| **Employer Liability** | 4.1Failure to comply with Employment Law could result in fines and legal action. | Mitigation Action- The possibility of not complying with Employment Law is reduced by keeping up to date with Employment Law by Membership of GAPTC.-Further knowledge on the subject is achieved by the Clerk being a member of the SLCC.- Clerk is level 5 CIPD qualified in HR management and holds an account with Xpert HRActions required\** Clerk to check/renew SLCC membership
 | 2/1 | 2/2 | 4/2 |
| **Employer Liability** | 4.2 Failure to comply with HMRC and Pensions Regulator requirements resulting in fines and/or legal action. | Mitigation Action-HMRC PAYE& NI liability calculated using HMRC Basic Tools-Regular advice from HMRC reviewed by the Clerk-Internal auditor to provide double check.-Employees offered enrolment in pension schemeActions required\*-Review contractual pensions arrangement for Clerk. (By March 2022) | 2/1 | 2/2 | 4/2 |
| **Employer Liability** | 4.3Safety of Staff and visitors is compromised resulting in injury and possible prosecution under the Health and Safety at Work Act. | Transfer risk — Employers and Public liability insuranceMitigation action-General risk assessments carried out for all Council assets and reviewed annually (except for those listed below). - Separate tree condition surveys carried out every three yearsActions required\*-Carry out a general risk assessment on all council assets to bring reviews up to date-Implement checks on risk assessments carried out by trustees-Arrange for councilors and/or burial clerk to report on cemetery and churchyard checks (including any stonework) within usual monthly report-Arrange arborist check in 2022- Adopt/Review Health and Safety Policy by December 2022 | 2/2 | 2/1 | 4/2 |
| **Legal Liability/****Reputation** | 5.1Activities may be carried out which are not within the legal powers of the Parish Council. Resulting in legal proceedings against the Parish Council and loss of Parish Council reputation | Mitigation Action-If the proposal is outside the knowledge level of the Clerk then legal advice will be sought where necessary (from GAPTC /SLCC).Action required\*-Clerk to obtain CiLCA qualification.- Latest edition of Charles Arnold Baker - Local Council Administration to be purchased for use by the Clerk. | 2/1 | 3/2 | 6/2 |
| **Legal Liability** | 5.2Loss of Clerk meaning that Council is unable to undertake all duties and responsibilities in a way which is compliant with Action requiredlegislation. | Transfer risk - Insurance covers loss of key personnel Mitigation Action-A locum clerk may be available through contact with GAPTC/ SLCC. Action required\*-Review level of insurance cover for loss of key personnel when insurance contract is reviewed.(By June 2022)- Clerk to update emergency document detailing passwords and duties (By Feb 2022) | 2/2 | 2/1 | 4/2 |
| **Legal Liability** | 5.3Possible failure to produce accurate and timely reporting via the monthly minutes. This will result in a failure to address the issues raised and agreements made, coupled with a loss of visibility to the North Nibley community of council business. | Mitigation Action-The Council meets once a month and receives and approves Minutes of the last meeting.-Draft Minutes and approved minutes are made available to press and public via the web site. | 2/1 | 2/2 | 2/2 |
| **Legal Liability** | 5.4Proper document control is not in place resulting in a loss land/ building documentation and other legally required documentation subsequent costs to reinstate them/ penalties for non-compliance. | Mitigation Action -Land and buildings registered at Land Registry. - Historic documents deposited at County Records(Gloucester) offices in 2020 (pre new clerk commencing) Action required\*- Create and Implement document retention policy (By March 2022)- Consider purchase of fire proof box for key document storage (By March 2022) | 2/1 | 2/2 | 4/2 |
| **Legal Liability** | 5.5Failure to put in place separate governance, banking and accounting arrangements for funds held for Charities and organsiations. This could result in non-compliance with Proper Practices for the preparation of annual accounts (JPAG) and with Charity Law. | Mitigation Action - Funds will be held in reserves and governed by council’s reserves policyAction required\*--Clerk to notify Insurers of assets held in trust and amend asset register to reflect this.  | 3/1 | 2/2 | 6/2 |
| **IT** | 6.1Council lap top fails resulting in loss of access to files and inability to deliver services. | Mitigation Action-Clerk can purchase new simple device quickly using emergency powers (up to £500). - Files are backed up to USB held by clerkAction required\** Additional encrypted USB to be backed up monthly and held by chair
* Consider cloud based storage (e.g Microsoft 365)
 | 2/1 | 1/1 | 2/1 |
| **IT** | 6.2 Council lap top is compromised leading to unrestricted access to Council data, resulting in data breach and investigation by the Information Commissioner’s Office. Reputational damage. | Mitigation Action:- Clerk lap top password protected and electronic files containing personal data have additional password protection.Action required\*-Implement document retention policy. (By March 2022)- consider full disk encryption  | 2/1 | 2/2 | 4/2 |
| **Councillor Propriety** | 7.1 Failure to register interests, gifts and hospitality could lead to Councillors being compromised in the course of their business and being subject to legal action. | Mitigation Action:-Register of interest completed by individual Councillors and published on the website.-The need for Councillors to declare their interests when involved in Parish Council activities is required (standing item on agenda).-Code of Conduct reviewed annually in line with the GAPTC and NALC Council codes. | 2/1 | 2/2 | 4/2 |
| **Councillor Propriety** | 7.2 The Council fails to manage, retain or dispose of personal data properly, resulting in possible data breach and investigation by the Information Commissioner’s Office. Reputational damage. | Mitigation Action:- Clerk lap top password protected and electronic files containing personal data have additional password protection.- Files containing personal information are secured in Clerk’s home office. Action required\*-Implement document retention policy. (By March 2022)- Create/Review information and Data Protection Policy (By March 2022)- Council to consider using specific council email addresses (By Mar 2022) | 2/1 | 2/2 | 4/2 |
| **Covid-19 pandemic/ infectious disease outbreaks** | 8.1Ongoing restrictions imposed in response to the ongoing pandemic impact upon the Council’s ability to provide its core services and prevent the Council from meeting and carrying out its business.  | Mitigation Action-Covid 19 risk assessments have been carried out for the Village Hall where meetings occur.-The Council will resubscribe to Zoom to enable online meetings to take place and will adopt an online meetings protocol with GAPTC guidance if the law changes to permit online meetings as in 2020/21-The Council can make delegations to the Clerk in the event that neither physical nor online meetings can take place.Action required\*- Clerk to create emergency document detailing passwords and duties in case of illness. (By June 2022)- consider full disk encryption on PC laptop | 2/2 | 2/1 | 4/2 |