

St Anne's on the Sea Town Council

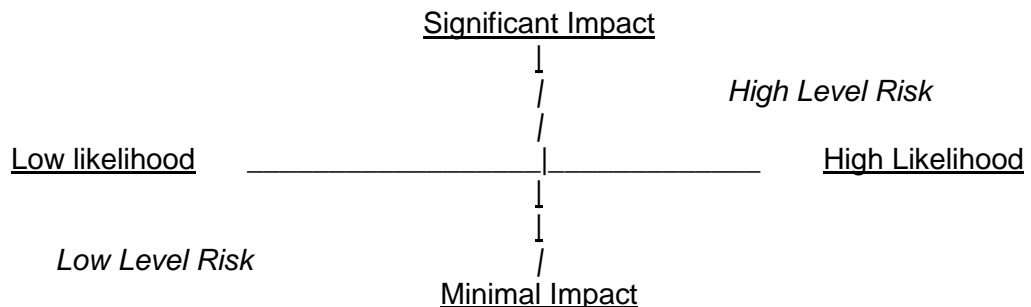
ANNUAL RISK ASSESSMENT AND RISK MANAGEMENT

1. POLICY

- 1.1 The recognition and management of risk is integral to the Council's stewardship of their assets and resources and the effective and efficient discharge of their duties and responsibilities to the community.
- 1.2 Risk assessment is a continuous process for the Council. Risks may be financial or non-financial.
- 1.3 The Council are responsible for the management of risk in accordance with this policy and plan.
- 1.4 The Town Clerk is responsible for advising the Council on risk assessment and for conducting his/her duties in a manner, which avoids undue risks to the Council.
- 1.5 Key risks are identified in the Risk Management Plan and Register.
- 1.6 Risk Management is an aspect of the internal controls operated by the council through their approved Financial Regulations. Internal Controls are subject to scrutiny by the internal auditor.

2. RISK MANAGEMENT PLAN

- 2.1 This plan defines how the Council will manage identified risks.
- 2.2 Risks can be defined as any threat or possibility that an action or event will adversely (or beneficially) affect the interests of the Council.
- 2.3 Risk management is not a process of avoiding risk altogether but seeks to identify risk and assess its implications in order to inform decisions.
- 2.4 The level of risk can be judged by the likelihood of it occurring and the effect on the Council should it do so.



- 2.5 Judgement of the level of risk may rely on past experience or a specific assessment of a particular instance, or both. The Council will determine whether a risk is acceptable in all the circumstances.

2.6 Generally much of the identified risk, which can be quantified, is covered by insurances carried by the Council, i.e.:

- Public Liability £10m
- Employers Liability £10m
- Money £250k
- Fidelity Guarantee £250k
- Legal Expenses £50k
- Property Damage £35k
- Official Indemnity £250k
- Libel and Slander £250k

2.7 The appended Risks Register forms part of this Plan.

2.8 The Council will review the Plan on an annual basis.

2.9 The Plan should read in conjunction with the Council's Financial Regulations.

ST ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2015-2016

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
Governance					
Failure to attract sufficient candidates for member vacancies	Low	Risk to Quality Status aims	Publicity of positions	Council Newsletters and Town App	Town Clerk and Members
Failure to achieve quorum at meetings	Low/Medium	Delays in Decision making	Number of Councillors increased in May 2012	Calendar of meetings Prompt issue of agendas	Town Clerk
Members acting independently outside meetings	Low	Right decisions not taken	Councillors training plan	Members to receive appropriate training	Town Clerk
Staffing					
Sudden Loss of Staff	Medium	High – given low staff level	Locum appointments – Secondment from Principal Council	Succession Planning/Staff training	Council
Finance					
Financial loss due to banking error (e.g. leading to loss of interest or bank charges levied)	Low	Reduction in Council's financial resources.	Regular monitoring and review.	Application of financial regulations, including scrutiny of all bank statements upon receipt. Periodic review of banking arrangements to secure best possible terms and conditions	Town Clerk

ST ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2015-2016

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
Loss of monies due to fraudulent action by employee(s)	Low – Trust in integrity of serving clerk	Reduction in Council's financial resources.	All cheques signed by two Councillors and RFO against invoices. All expenditure approved by Council. Accounts subject to Council and Auditor scrutiny.	Application of financial regulations	Council
Failure to submit VAT returns	Low	Reduction in Council's financial resources	Accounts subject to Council and Auditor scrutiny.	Annual Audit of Accounts	Internal Auditor
Precept is not submitted in time or is inadequate for purpose.	Low	Reduction in councils financial resources Inability to deliver services or commitments	Budget and Precept considered each year in line with Standing Orders.	Reminder now sent by Principal Authority. The Town Clerk has excellent support within this area from Fylde Council.	Council and Town Clerk

ST ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2015-2016

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
Loss of cheques, cash etc held on Council's behalf	Low – Receipts rarely in cash.	Reduction in Council's financial resources.	Losses are covered by insurances; including theft Prompt payment of receipts into bank. Direct payment of Precept and VAT reimbursement into bank account.	Maintain adequate insurance cover. Prompt payment of receipts into bank.	Town Clerk
Salaries wrongly calculated and paid	Low	Dissatisfied staff/reduction in financial resources	Level of control	All staff payments are outsourced to independent accountant who controls levels of payment tax/NI/superannuation amounts to be paid	Town Clerk
Dishonestly by staff/councillors	Low	Reduction in Council's financial resources.	Fidelity Guarantee Integrity of staff/councillors	Maintain level of insurance. Increased to £250k from. 1 st April 2014	Town Clerk and Council
Sudden large expenditure or inadequate budgeting	Low	Reduction in Council's financial resources	Level of control	Resort to PWLB for capital projects Recover deficit in subsequent years	Town Clerk and Council
Property					
Damage to Council property by third party.	Low – Property is either office equipment or secure buildings at Allotment site.	Repair costs to be covered.	The risk is covered by Council's insurances.	Maintain property in good condition. Ensure adequacy of insurance cover.	Town Clerk

ST ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2015-2016

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
Disaster Recovery					
Loss of council paper records and computer files due to accident, fire, flood or otherwise	Medium	Loss of Paper Records may not be replaced Council could not operate	Secure storage at office for paper and electronic files, secure storage off site for all electronic files	From the 28 th January 2015 there are two forms of additional control: All files are backed up on an external hard drive on a weekly basis. When not in use the hard drive is stored in the safe. Secondary back up is to a reputable external storage system that copies computer files and stores these off site, all files are encrypted. There is a weekly automatic back up process undertaken. Any important files can be backed up immediately.	Town Clerk
Public Liability					
Personal injury/damage to member(s) of the public or their property arising from defect(s) in Council's property.	Low	Claims for compensation and costs to the Council in defending claims	Covered through Council's insurance (£5 million)	Regular maintenance and prompt repair of any damage. Periodic review of insurance cover and timely renewal-significant changes to be agreed by Council.	Town Clerk
Compensation claim by employee (or contracted person) in respect of injury sustained in the cause of their employment/engagement	Low – given the nature of staff duties.	Claims for compensation and associated costs.	Potential liabilities, including costs, covered by insurances (£10m)	Maintain adequate insurance cover	Town Clerk

ST ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2015-2016

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
Official Indemnity					
Compensation claim resulting from (alleged) negligent act or accidental error or omission by the Council or its employee(s)	Low – given limited activities of the Council.	Potentially substantial cost to Council.	Risk Covered by Council's insurances. (£250,000)	Maintain adequate insurance cover. Ensure Council decisions are based on full information including professional advice where appropriate.	Town Clerk
Libel and Slander					
Actions against the Council for libel or slander.	Low – Proper conduct of Council meetings and Clerk's professional judgement	Potentially substantial cost to the Council.	Risk Covered by Council's insurances. (£250,000)	Maintain adequate insurance cover. Member awareness. Proper conduct of meetings by Chairman. Professional advice from Clerk.	Council and Town Clerk
Community Engagement					
Failure to represent community interest adequately in relation to matters likely to impact significantly on the Town	Low – Town Council well established as consultee.	Reduction in local facilities and/or quality of life or missed opportunity to benefit from external funding or advice.	Council recognised by other agencies for consultation and information dissemination. Membership of NALC/LALC. Subscribers to NALC newsletter.	Threats and opportunities reported to Council meetings. Special meetings called as required. Monitoring of publications by Town Clerk and Community Development Manager	Town Clerk/ Community Development Manager