



***Adopted and approved by Policy & Resources Committee on 15<sup>th</sup> January 2019***

## **St. Anne's on the Sea Town Council**

### **ANNUAL RISK ASSESSMENT AND RISK MANAGEMENT**

**Reviewed and updated on; 15<sup>th</sup> January 2019**

**By the Policy and Resources Committee**

#### **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 The Town Clerk has delegated authority to mitigate any emergency risks that arise throughout the financial year.
- 1.6 Key risks are identified in the Risk Management Plan and Register.
- 1.7 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.
- 1.8 The Risk Management Plan is annually reviewed by the Council, updating of the document is completed by the Town Clerk.
- 1.9 From 01.04.17 the RFO role was split from Town Clerk position, creating an additional level of mitigation of all risks. From 01.04.2018 RFO trained in all internal/external audit submissions and led on budget and precept setting.

#### **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.



ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
<b>Governance</b>					
Failure to attract sufficient candidates for member vacancies	Low	<b>Risk to the use of Power of Competency</b>	Publicity of positions	Council Newsletters <b>and Website</b> By election undertaken in 2016 – publicity and promotion of SATC appearing to be effective – appropriate reserves in place should full election occur. Co-option process undertaken for first time in July 2018 to fill casual vacancy.	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 Attendance of meetings record checked on a regular basis.	Town Clerk
Members acting independently outside meetings	Low	Right decisions not taken	Councillors training plan	Members to receive appropriate training For election in May 2019, both training by LALC and induction training by the Town Council to be completed.	Town Clerk
<b>Staffing</b>					
Sudden Loss of Staff	Medium	High – given low staff level	Locum appointments – <b>NALC/SLCC contacted for additional support</b>	Succession Planning/Staff training Town Clerk and Deputy Clerk CiLCA qualified. RFO and TEPO both undertaking the formal CiLCA qualification from 2018.	Council

**ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020**

<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>MITIGATION</b>	<b>CONTROL</b>	<b>WHO</b>
<b>Finance</b>					
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, undertaken by TC. Additional deposit account opened with different main banking provider in 2016 to achieve both improved interest rate and in line with adopted reserves policy. All money market bonds reviewed on regular basis to ensure best rates and transparency. Financial Standing Orders reviewed and updated in 2017 along with scheme of delegation.	Town Clerk
Loss of monies due to fraudulent action by employee(s)	Low – Trust in integrity of serving Clerk and split RFO role from 01.04.17	Reduction in Council's financial resources.	All cheques signed by two Councillors and both Clerk and RFO against invoices. All expenditure over £300 approved by Council. Accounts subject to Council and Auditor scrutiny.	Application of financial regulations – updated to include additional procedure in 2016. Additional checks now in place with both Clerk and RFO undertaking accounting processes and procedures. Agreement from Fidelity Insurance for two officers to approve Internet Banking payments (plus additional checks by Councillors for all Internet Banking Payments). Process review undertaken in 2017 – system working well, faster payments made by the Town Council to all suppliers.	Council

**ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020**

<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>MITIGATION</b>	<b>CONTROL</b>	<b>WHO</b>
				From 1 <sup>st</sup> April 2018, a record of all payments made by the Town Council now reviewed on a monthly basis at the Policy and Resources Committee and signed/authorised by the Chairman; records kept for inspection.	
Failure to submit VAT returns	Low	Reduction in Council's financial resources	Accounts subject to Council and Auditor scrutiny.	Annual Audit of Accounts From 1 <sup>st</sup> April 2017 both Clerk and RFO will be trained to submit VAT returns on a timely basis. From 1 <sup>st</sup> April 2018 both Town Clerk and RFO fully trained in submitting VAT returns, all completed on line via HMRC website.	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 Budget meeting held in December for agreed Budget to go to Full Council in January/February.	Reminder now sent by Principal Authority. The Town Clerk has excellent support within this area from Fylde Council. Fylde Council use SATC to check precept calculator prior to being sent to all Parishes is. From April 2018, RFO leads on budget setting and the precept administration.	Council and Town Clerk

ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020

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. Additional processes put in place from 2015 onwards. From 2016, additional checks now in place with both Clerk and RFO undertaking cash processes and procedures – process amended and updated in 2017 to improve security.	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 are paid across on a monthly basis, additional back checking processes put in place from 2015. From 2016, additional checks now in place with both Clerk and RFO undertaking cash processes and procedures. <b>From 1<sup>st</sup> April 2018, both Town Clerk and RFO check all salary payments received from external accountants.</b>	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 <sup>st</sup> April 2014 Insurance – Insurance review completed from 1 <sup>st</sup> April 2016 with additional cover for Officers Indemnity to £500K.	Town Clerk and Council

**ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020**

<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>MITIGATION</b>	<b>CONTROL</b>	<b>WHO</b>
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 notify Council as soon as this risk occurs. Use of reserves, Town Clerk/RFO monitors on a regular basis. Quarterly monitoring of expenditure at Policy and Resources Committee.	Town Clerk/RFO and Council
<b>Property</b>					
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. Full insurance review completed on 15 <sup>th</sup> March 2016 – Came and Co (underwritten by Hiscox) are now the SATC insurers from 1 <sup>st</sup> April 2016-31 <sup>st</sup> March 2019. From July 2016 Lengthsman appointed to manage specific SATC property. Asset Register regularly reviewed and updated.	Town Clerk
<b>Disaster Recovery</b>					
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 <sup>th</sup> 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	Town Clerk

**ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020**

<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>MITIGATION</b>	<b>CONTROL</b>	<b>WHO</b>
				process undertaken. Any important files can be backed up immediately. Update for 2015-2016, number of paper files reduced, larger drives to accommodate additional storage introduced. System currently works well. Ongoing process to reduce paper storage, formal minutes bound and deposited with Lancashire County Archives.	
<b>Public Liability</b>					
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 Full insurance review completed on 15 <sup>th</sup> March 2016 – Came and Co (underwritten by Hiscox) are now the SATC insurers from 1 <sup>st</sup> April 2016- 31 <sup>st</sup> March 2019 Please note, insurance review to be completed in March 2019.	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 Additional cover updated and included in insurance renewal. Management Event Plans more detailed to manage potential risks. From 2016, the Lantern Parade at the Christmas Switch on Event was held in the event nominated car park, negating requirement for road	Town Clerk



**ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020**

<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>MITIGATION</b>	<b>CONTROL</b>	<b>WHO</b>
				closures and reducing potential of a risk to SATC. Accident record book kept up to date.	
<b>Official Indemnity</b>					
Compensation claim resulting from (alleged) negligent act or accidental error or omission by the Council or its employee(s) Additional process see control	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. From 2015 more robust event planning now takes place, monitored by Fylde Council.	Town Clerk
<b>Libel and Slander</b>					
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. Additional advice provided at Town Council Strategy Day in September 2017.	Council and Town Clerk
<b>Community Engagement</b>					
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 From 2016 due to production of Neighbourhood Plan Council success of STEP, now seen as more	Town Clerk/ DTC

**ST. ANNE'S ON THE SEA TOWN COUNCIL – RISK MANAGEMENT REGISTER 2019-2020**

RISK	PROBABILITY	IMPACT	MITIGATION	CONTROL	WHO
			<p>Both TC and DTC have CiLCA qualification and are members of SLCC.</p>	<p>of an asset to the town. Quarterly Newsletter and increased use of social media in 2017. In 2018 the number of residents who were aware of what the Town Council does has increased, the bench mark increase in emails/telephone calls, more public participation at both Planning Committee and full Council meetings. New businesses to be invited to the Town Council meeting on 29<sup>th</sup> January 2019 to increase knowledge and offer network opportunities.</p>	