



Adopted and approved annually by Town Council

St. Anne's on the Sea Town Council

ANNUAL RISK ASSESSMENT AND RISK MANAGEMENT

Reviewed and updated on; 28 January 2020 at Full Council

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 2020-21

| RISK | PROBABILITY | IMPACT | MITIGATION | CONTROL | WHO |
|---|-------------|---|---|--|------------------------|
| GOVERNANCE | | | | | |
| Failure to attract sufficient candidates for member vacancies | Low | Risk to the use of Power of Competency | Publicity of positions | Council Newsletters and Website 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. New Co-option Policy produced and agreed on 14 January 2020. | 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. In-house training for new Councillors reinforces the need to attend meeting. | 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. June 2019 in-house bespoke training package produced and delivered by Officers now rolled out to all new Members. | Town Clerk |

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|---|-------------|---|--|---|----------------|
| STAFFING | | | | | |
| Sudden Loss of Staff | Medium | High – given low staff level | Locum appointments – SLCC contacted for additional support | Succession Planning/Staff training Newly appointed Town Clerk will be undertaking CiLCA; Deputy Clerk CiLCA qualified. | 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, 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 regularly reviewed and updated. | Town Clerk/RFO |

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| 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. From 1 st 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. Internal scrutiny process undertaken by Members, that includes random items being chosen and the audit trail followed. | Council |
| 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 st April 2017 both Clerk and RFO will be trained to submit VAT returns on a timely basis. From 1 st April 2018 both Town Clerk and RFO fully trained in submitting VAT returns, all completed on line via HMRC website. | Internal Auditor |

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| 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. From 2019, the budget setting process has been updated, to include additional time for all Councillors to review budget and full notes of the original budget setting meeting. | Council/ Town Clerk/RFO |
| 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 2019/20 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, | Town Clerk |

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| | | | | additional checks now in place with both Clerk and RFO undertaking cash processes and procedures. From 1 st April 2018, both Town Clerk and RFO check all salary payments received from external accountants. | |
| 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 Insurance – Insurance review completed from 1 st April 2016 with additional cover for Officers Indemnity to £500K. Insurance review completed in March 2019. | 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 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 |
| 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. Full insurance review completed on 15 th March 2016 – Came and Co (underwritten by Hiscox) are now the SATC insurers from 1 st April 2016-31 st March 2019. Asset Register regularly reviewed and updated. | Town Clerk |

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| 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. 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. In 2019-20 external storage system increased and updated. | 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 31 st March 2019 Please note, insurance review to be | Town Clerk |

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| | | | | completed in March 2019 – completed and a new and updated asset register produced. | |
| 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 closures and reducing potential of a risk to SATC. Accident record book kept up to date. | Town Clerk |
| OFFICIAL INDEMNITY | | | | | |
| 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. As Town Council become more experienced in running events, more potential risks are identified and appropriate measures put in place. | Town Clerk |

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| 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. June 2019 in-house bespoke training package produced and delivered by Officers now rolled out to all new Members. 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. Both TC and DTC have CiLCA qualification and are members of SLCC. | 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 of an asset to the town. Regular Newsletter -produced and increased use of social media. Town Council supports the St. Anne's Enterprise Partnership, a partnership between businesses, community, Fylde Council and the Town Council. | Town Clerk/ DTC |