Ingworth Parish Council

Risk management is a process whereby local councils methodically address the risks associated with what they do and the services they provide. The objective of risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences.

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, Members should, at least once each year:

- take steps to identify and update key risks facing the council
- evaluate the potential consequences to the council if an event identified as a risk takes place; and
- decide upon appropriate measures to avoid, reduce or control the risk of its consequences.

Some risks can be managed by taking out insurance. The majority need to be managed by the Council itself either with or without the help of third parties.

No.	Identified risk & consequence of failure	level of risk	Preventative action required
1.	Loss or damage of physical assets owned by the council & listed on the fixed asset schedule resulting in financial loss	High	Ensure the asset list is up to date and is covered by the schedule within the insurance policy.
2.	Damage to third party property or individuals as consequence of the council providing services or amenities to the public resulting in claims against the council	Medium	Ensure public liability insurance is adequate. Ensure all contractors working for the council have appropriate public liability insurance in place. Ensure all requirements of the insurance policy such as maintenance or inspection are met.
3.	Loss of cash or funds through theft or dishonesty resulting in financial loss	Medium	Ensure proper procedures on cash handling and cheque signing are in place.
4.	Legal liability arising as a result of asset ownership resulting in claims against the council and financial loss	Medium	Ensure public liability insurance is in place.
5.	Failure of insurance company or bank resulting in financial loss	Low	Ensure only robust providers used. Take advice from the Government and NALC.
6.	Failure of the insurance policy to cover all insurable risks	Medium	Ensure an annual review of risks and cover provided is carried out.

No.	Identified risk & consequence of failure	level of risk	Preventative action required
7.	Lack of maintenance of physical assets resulting in excessive repair costs	High	'Wear & Tear' is not covered by insurance. Ensure that regular inspections are made of assets and repairs are effected.
8.	Poor quality of goods and services supplied by contractors resulting in inferior products and poor value for money	Medium	Ensure strict adherence to Financial Regulations and Standing Orders for award of all contracts. Ensure proper procedures are carried out in public and fully minuted. Ensure that council approval of all transactions are minuted.
9.	Not keeping proper financial records in accordance with statutory requirements resulting in lack of integrity & possible financial loss	Low	Ensure full details of every transaction are provided for all councillors. Ensure that the approval of all transactions is minuted. Ensure that regular reports and bank reconciliations are provided and inspected by councillors and internal auditor.
10.	Unauthorised payments made resulting in financial loss and liability to prosecution	Low	Ensure that all cheques have two signatories and that full supporting documentation is provided. Ensure any direct debits and standing orders are approved by the full council.
11.	Unlawful expenditure incurred resulting in financial loss and possible prosecution	Low	Use guidance from 'Local Council Administration' or from NALC.
12.	Not complying with HMRC requirements for employee payments resulting in financial loss and possible prosecution	Low	Ensure that annual return to Inland Revenue is made. Ensure statutory payments of NIC & statements relating to employee tax liabilities are made. Checks made by internal auditor.
13.	VAT recovery is not complete resulting in financial loss and possible prosecution	Low	Ensure annual returns are made and that VAT is identified in all relevant transactions.
14.	Not providing adequate funds resulting in inability to carry out functions or provide services	Low	Ensure that the budget process is adequate and the proper precept raised. Ensure that the costs for elections or parish polls are anticipated.
15.	Not using S137 funds properly resulting in monies possibly being reclaimed at audit	Low	Ensure grants or other payments are only made for appropriate purposes within S137 rules.

No.	Identified risk & consequence of failure	level of risk	Preventative action required
16.	Incorrect minutes of meetings resulting in unreliable decisions being made	Low	Ensure minutes are produced timeously and circulated in draft to councillors for review. Ensure that minutes are approved and all pages signed at Parish Council meetings. Ensure that minutes are paginated and master copy kept safely.
17.	Failure to comply with Freedom of Information Act resulting in potential penalties on the Council	Low	Ensure that FOI policy is up to date and can be viewed on request.
18.	Not properly recording Members' interests or gifts and hospitality exceeding £25 could result in improper decisions being made or referred to the Monitoring Officer	Low	Ensure that Declarations are confirmed at the Annual Meeting. Ensure that councillors are asked to declare interests at each meeting.
19.	Documents not being controlled or lost, or other forms of communication not being recorded could result in failure to act or acting incorrectly on issues	Low	Ensure that proper procedures are in place for dealing with incoming mail, emails or telephone messages. Ensure that papers are properly filed and stored. Ensure that regular backups are made of all information held on computers & kept safe.
20.	Inquiries from the public not being passed on to councillors could result in action being taken against the Council	Medium	Ensure that all inquiries are recorded by the clerk and referred to the Council where necessary.
21.	Failure to adhere to Standing Orders or improper conduct of meetings could result in invalid decisions being made	Low	Ensure that chairman, clerk and Members conduct meetings in accordance with Standing Orders. Ensure that Standing Orders are reviewed every two years.
22.	Data breach could result in complaint and/or ICO investigation and fine	Low/med	Information audit to be carried out. Policies in place and up to date DPO in place, and Councillors are Data aware. Training kept up to date.
23.	Pandemic or other resulting in inability Of Council to meet	Medium	Government legislation now allows Councils to meet remotely. Parish Council to consider online banking To ensure continuity of service