



SANDOWN TOWN COUNCIL

## **Risk Management Policy 2021**

APPROVAL DATE: 15-Feb-21  
REVIEW DATE: 01-Jan-22  
MINUTE NUMBER: 50-20/21(3)

## **Definition of Risk Management**

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

## **Purpose of Document:**

This document has been produced to enable the council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

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- Identify the areas to be reviewed.
- Identify what the risks may be.
- Assign a risk levels: high, medium, and low (H, M, L).
- Evaluate the management and control of the risk (e.g. take out insurance, work with another party to reduce the risk, manage the risk yourself.
- Record findings

There are several common themes such as:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income, petty cash etc.
- Injury to the public – in playgrounds and recreation grounds, at burial grounds etc
- Complying with legal requirements – agendas and minutes, GDPR, etc

<b>Assets</b>				
<b>Subject</b>	<b>Risk(s) Identified</b>	<b>Level</b>	<b>Control (and actions)</b>	<b>Details/Review/Renew</b>
Assets	Loss or Damage to Council Assets (General)	M	<p>An annual review of assets is undertaken.</p> <p>Appropriate maintenance arrangements in place.</p> <p>Appropriate provision in place.</p> <p>Contractors required to have appropriate insurances in place.</p> <p>Assets are insured. New assets acquired are valued and added to Insurance policy.</p>	<p>Insurance renewed annually (7-Jun)</p> <p>Insurance Valuations conducted as required and insurance company informed.</p> <p>Property values as advised by the Local Authority and insured accordingly.</p>
	Safety and Security of buildings (Centre and Public toilets)	M	<p><u>Broadway Centre</u></p> <p>Building fitted with smoke/fire alarms, fire doors and extinguishers. Fire risk assessment in place.</p> <p>Building is alarmed and fitted with CCTV.</p> <p>List of authorised key/code holders maintained.</p> <p>Contents are insured.</p> <p><i>Recent review of CCTV showed blind spots. Quotes obtained and council resolved to install additional cameras to address weaknesses.</i></p> <p><u>Public Toilets</u></p> <p>Toilets locked overnight by security company and opened by authorised contractor.</p> <p>Log of key holders is maintained.</p> <p>Annual Legionella Testing</p> <p><i>Following recent vandalism at Eastern Gardens and St Johns, CCTV has been included in the planned reprovision and the design incorporates features to reduce anti-social behaviour.</i></p>	<p>Annual service and maintenance plan.</p> <p>Buildings and contents insurance replacement values reviewed annually.</p> <p>Log is reviewed regularly.</p>



Finance				
Subject	Risk(s) Identified	Level	Control (and actions)	Details/Review/Renew
Precept	Inadequate Funding	L	Budget setting and budget monitoring arrangements in place. Payments and Receipts and projected considered at each meeting. External Funding opportunities explored wherever possible.	Existing procedures adequate.
	Adequacy of reserves	L	Budget monitoring at meetings includes review of reserves <i>(Inclusion of position of allocated reserves would increase oversight)</i>	
	Inadequate cash flow	L	Precept received in one instalment. Receipt of income reported to Council.  Account balances reviewed at each meeting.	
Financial Records	Adequacy of Records /qualified accounts	M	Standing Orders and Financial Regulations set out arrangements for accounts, financial transactions etc.  Lead councillors review transaction records monthly.  Internal Auditor inspects records prior to external audit.  <i>Previous years accounts have been difficult to reconcile. Format of ledgers has been amended to provide clear reconciliation of figures.</i>	Review annually for improvements.
Receipts and Payments	Unauthorised access to council funds.	L	Adequate division of duties is in place.  Electronic payments are presented for payment by deputy clerk/made by clerk.  Cheques must be signed by two designated signatories.  BACS payments are encouraged as the preferred method of payment of amounts due to the council.  Other income is banked as soon as possible after receipt.  Bank statements are checked regularly for accuracy by officers and monthly bank reconciliations are verified by nominated councillors who are not signatories.	

Finance				
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Audit	Prior years audits still open: Risk of impact on subsequent years. Lack of oversight	H	The 2017/18 and 2018/19 External Audits have not been completed by the assigned auditor. A review by officers has found all requested items have been provided. Regular updates requests are being provided and a proposal to escalate the issue to the relevant body will be made.	February 2021
Grants & Donations	Unauthorised payments /use of council funding	L	Grants & Donations Policy. Grants approved by Council and minutes unless specifically budgeted. Applicants must sign declaration agreeing to any grant conditions prior to release of funds.	Existing procedure adequate.
Salaries and associated costs	Incorrect payment	L	National Joint Council for local government pay scales applied. Increases are approved by relevant committee. Amounts verified by payroll provider monthly via email. HMRC responsibility calculations and payments are undertaken by external payroll provider.	Existing procedure adequate.
Contractor Payments	Incorrect Payment	M	Quotes/tenders approved by clerk/council subject to thresholds in financial regulations. Purchase orders reflecting quotations used for credit orders. <i>There has been no formal framework for monitoring the performance of contracts. Professional project management will be sourced for reprovion of toilets.</i>	KPI included in future contracts where appropriate.
VAT	Incorrect treatment of VAT/Reclaim	L	Deputy Clerk has undertaken VAT training. VAT treatments reviewed prior to quarterly submission of figures. Professional VAT advise will be sought for significant projects.	Existing procedure adequate. VAT bulletins received and refresher training to be undertaken annually.
Fraud		L	Financial procedures in place to mitigate risk. Regular oversight by nominated members and full council.	

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Cash Handling	Loss of cash through theft or dishonesty	L	<p>Cash held in secure location prior to banking which is undertaken weekly if required.</p> <p>Invoices and Receipts issued for cash received.</p> <p>Cash/Cheque receipts are reconciled against receipt book and invoices and are entered onto accounting system.</p> <p>Petty Cash phased out (<i>Policy has been amended to an expense reclaim process rather than holding petty cash – current balance is minimal and will be banked prior to 2020/2021 year end</i>)</p>	Existing procedure adequate.

Management				
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Liability (third party property and public)	Risk to third party property.	M	<p>“own risk” in terms and conditions/ notices displayed where relevant.</p> <p>Public Liability Insurance in place.</p> <p>Regular inspections undertaken.</p> <p>Risk Assessment in place.</p> <p>Hazards investigated when reported. Remedial action taken when required.</p> <p><i>Written records of maintenance and repairs should be kept.</i></p>	<p>Reviewed annually.</p> <p>Renewed annually.</p> <p>Reviewed Annually</p>
Employer Liability	Compliance with employment law.		<p>Relevant Insurance in place.</p> <p>Membership of various national and regional bodies HALC/NALC/SLCC.</p> <p>Advice taken from IWALC/NALC/SLCC and implemented accordingly.</p> <p>Annual Health and Safety risk assessments carried out.</p>	

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	Safety of staff and visitors		Risk assessments carried out before public or ad-hoc events	Reviewed Annually
Insurance	Adequacy, cost and compliance		Insurance cover reviewed annually and adjusted if necessary. Asset register needs to be kept up to date and reflected in the insurance cover amount	Reviewed annually
Forward planning	The council does not have or work to, any forward plans.	H	The budget is used to drive projects and include provision for future work.	A forward plan should be drafted to inform future activities and budgets.
Legal Powers	Ensuring activities are within legal powers	M	<p>Standing orders and financial regulations in place. <i>(Standing orders need to be revised as current version do not reflect model standing orders and there is a risk matters required by law have been omitted).</i></p> <p>Clerk clarifies legal position on new proposals. Legal advice sought where necessary.</p> <p>Training provided for new councillors and regular training encouraged.</p> <p>Professionals engaged where appropriate (such as management of significant projects or property solicitors for lease and land matters).</p>	<p>Legal advice sought via NALC as required and circulated to Councillors.</p> <p>Standing orders and Financial Regulations to be updated to reflect model versions.</p>
	Committees / Working Parties	L	Established with clear terms of reference to limit any councillor acting beyond their remit, including referral of decisions to full council unless delegated powers have been resolved by full council.	Existing standing orders and financial regulations are adequate.
	Proper document control	M	<p>Leases and legal documents in held in locked cabinets. Other data storage complies with Data Protection Act.</p> <p>GDPR and Document retention and disposal policies in place and reviewed regularly.</p> <p><i>There is no index for archived documents. A process has been put in place to undertake this exercise.</i></p>	Existing procedure adequate.



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Risk Assessments	There was no evidence the council was regularly undertaking risk assessments.	H	<p>All assets/provisions owned by the Town Council should be undertaken annually.</p> <p>A risk assessment must accompany any proposed large projects or acquisitions before any decision or financial expenditure is made.</p> <p><i>The pandemic has placed a large burden on officers as Covid-19 risk assessments have been required for all provisions and guidance changes constantly. This has delayed general reviews but there is overlap.</i></p>	Review annually.
Council meetings	Legality	L	Process/Standing orders include process for ensuring statutory notice/access requirements are met.	Existing procedures adequate
	Proper and timely reporting via the minutes	M	<p>Minutes of prior meeting approved at each full council/relevant committee.</p> <p>Approved minutes made available to press and public via the web site.</p> <p>Signed copies retained in secure location.</p> <p><i>Historic practice was to create a confidential minute to record matters discussed in confidential session. There is no provision for this in law. Therefore, processes have been changed to create a public minute and where a confidential matter must be recorded the matter will be dealt with by a committee.</i></p>	Procedures
	Meeting location/Virtual Meetings	L	<p>Meetings held in main hall at Broadway Centre.</p> <p>Full risk assessment of the premises is in place.</p> <p>Microphone system/Hearing loop has been serviced and is functioning.</p> <p>Technology is in place for virtual meetings and live streaming. <i>Training will be available for councillors unsure of how to use the relevant software.</i></p>	<p>Existing procedures are adequate.</p> <p>Existing procedures adequate.</p>

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Business Continuity	<p>Council not being able to continue its business due to an unexpected or tragic circumstance.</p> <p>Loss of council records through theft, fire, damage</p>	M	<p>Procedures are not collated into a central location and multiple copies of documents exist in different locations.</p> <p><i>An index/archive system has been created and work has been undertaken to address this but has been hindered by government work from home directives. Wherever, electronic copies of documents are used.</i></p> <p>Register of Policies and Licenses has been created and is maintained.</p> <p><i>Central list of ongoing and regular tasks and procedures is still required.</i></p> <p>Building is secured at all times. CCTV and alarms in operation. <i>Additional CCTV will be put in place to cover weaknesses.</i></p>	Work is on-going.
	ICT Equipment failure, resulting in data loss and reduced productivity.	M	<p>ICT Equipment has been updated and all staff members have access to work remotely. Data storage is cloud based.</p> <p>Folder and file structures are logical. Naming conventions are in place.</p> <p>Robust anti-virus software in place.</p> <p><i>Regular back-ups to a secondary location would further mitigate the risk of loss of data.</i></p>	
Proper document control /Data Protection and Freedom of Information	Not complying with legislation through lack of Policies	L	<p>The Council has relevant policies in place to cover:</p> <ul style="list-style-type: none"> <li>GDPR</li> <li>Privacy Notices</li> <li>Model Publication Scheme</li> <li>Transparency Code</li> <li>Document retention and disposal</li> <li>CCTV</li> </ul> <p>Leases and legal documents in secure cabinets. Other data storage complies with Data Protection Act.</p>	Review as legislation requires

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Clerk	Loss of qualified clerk	M	The council must understand and support the Clerk's role. Councillors must adhere to their own specific roles and responsibilities only and not interfere with the Clerk's.  Deputy Clerk position created, and appointment made to remove single point of failure and provide succession planning.	Councillor training must be undertaken.
	Loss of General Power of Competence	H	Reserves should be held to enable training for the CiLCA qualification in the event of the experienced clerk resigning and an unqualified person employed as replacement (bearing in mind that it would take at least 1-2 years to obtain the required qualification). Deputy Clerk to also undertake training.	Adequate reserves held.
	Fraud	M	The requirements of Fidelity Guarantee insurance must be adhered to.	Existing arrangements are adequate.
	Training	M	The Clerk should be provided with training, reference books, access to assistance and legal advice via SLCC as requested and time to attend training, meetings and undertake research.	Memberships are renewed annually. Clerks have time to read and research information.
	Staff unavailable from sickness or holiday	L	Clerk and RFO supported by deputy clerk/RFO.  Caretakers and Cleaners work covered by colleagues	Locum or contractors can be used for short term support if required
Councillor propriety	Failure of councillor to declare an interest leading to legal challenge.	M	Register of interest and gifts/ hospitality in place with corresponding procedures in policies.	Related documents reviewed annually.
	Councillors Conflict of Interest	M	There is a standing item on every agenda that requires Councillors to declare any pecuniary/nonpecuniary interest at start of each meeting.	Onus is on individual councillor to declare

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	Bringing the Council into disrepute	L	<p>Councillors receive and are regularly reminded of the Code of Conduct.</p> <p>Training provided for new councillors, and if required (for example if advised by unitary MO)</p> <p>Any breaches are reported to the Independent Local Authority Monitoring Officer for investigation</p>	<p>Code of conduct reviewed annually.</p> <p>Code of Conduct training offered to all councillors.</p>

**Actions and improvements to be carried out are listed below:**

- Review of Assets (Spring)
- Insurance renewal (7 June)
- Annual testing to be arranged.
- License renewals
- Move balance of current account into deposit account (April and as required)

<b>Date of Meeting approved:</b>	<b>Minute no:</b>	<b>Date of Next review:</b> January 2022
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