

# Etton Parish Council

## Risk Management Policy

### Introduction and Purpose

Risk is the threat that an event or action will adversely affect the organisation's ability to function and achieve its objectives and/or statutory responsibilities. Risk Management is the method by which the Council can identify, evaluate and control those risks. Failure to manage risk effectively may result in expensive failure both in financial and reputational terms. Although the Clerk may identify and minimise risk on a daily basis, the responsibility falls to all Members of the Council and is formalised by this Policy.

The Council recognises that risk cannot be eliminated completely, and that risk management must be proportionate to the size of the organisation, in particular with regard to the powers it has adopted and management resources available. These should be reviewed annually as part of the Council's strategy development and budget-setting.

### Objectives of the Policy

This document enables the Council to:

- Identify the key risks that it faces;
- Evaluate the potential for each of these risks to take place; and
- Agree measures to avoid, reduce or control the risk, or its consequence.

In so doing, it also aims to:

- Integrate risk management into the culture of the Council;
- Minimise loss, disruption, injury and damages;
- Operate in line with current practice and legislative guidance;
- Embed risk management into policy and operational decision-making.

Such that Members:

- Understand and take responsibility for identifying, evaluating and minimising risk;
- Support the Clerk in his/her role to advise on risk management as it impacts on the Council's strategy and operations.

### Areas of Risk

Every council is different and there is no standard list of risks. However, there are common themes, and these form the main headings of the Schedule accompanying this Policy:

- **Management** – the continuity and effective operation of the Council's business and agreed activities;
- **Finance** – banking access, sufficiency of funds;
- **Physical Assets** – land, equipment, street furniture, IT, (premises are not applicable to this council);
- **Liability** – including injury to the public, employer liability;
- **Compliance with Legal Requirements** – publication of agenda, minutes, audit reports, and other notices, timely submissions to HMRC, acting within the powers of a parish council;
- **Councillor Propriety** – declarations of interest, acting within the adopted Code of Conduct.

Measures shown in **bold** in the Action Required column require attention.

This policy adopted, with the accompanying Risk Management Schedule, 1<sup>st</sup> November 2023, Minute 23.36.2.

## Risk Management Schedule

Level of risk has been calculated by assessing the combination of **likelihood** of an event occurring, the **impact** of such an event and any **measures** already in place:

| <b>Likelihood:</b> | <b>Impact:</b> | <b>Risk = Likelihood score x Impact Score</b> |
|--------------------|----------------|-----------------------------------------------|
| 1 – Unlikely       | 1 – Low        | 1-2 – Low Risk                                |
| 2 – Likely         | 2 – Moderate   | 3-4 – Medium Risk                             |
| 3 – Very Likely    | 3 – Severe     | 6-9 – High Risk                               |

| <b>COUNCIL MANAGEMENT</b> |                                                                                      |                                                                              |              |                                                                                                         |                                                                                        |
|---------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| <b>Subject</b>            | <b>Risk Identified</b>                                                               | <b>Potential impact</b>                                                      | <b>Level</b> | <b>Management of Risk</b>                                                                               | <b>Action Required</b>                                                                 |
| Business Continuity       | Insufficient Councillors to form a quorum (3) at more than one meeting in succession | Council unable to continue its business                                      | L/M          | No current vacancies. Liaise with Monitoring Officer should Casual Vacancy arise.                       | None until need arises                                                                 |
|                           |                                                                                      |                                                                              |              | Co-option promoted and a standing agenda item when vacancy arises.                                      | None until need arises                                                                 |
|                           |                                                                                      |                                                                              |              | Liaison with Monitoring Officer as risk potential rises                                                 | None until need arises                                                                 |
|                           | External event prevents Council from meeting                                         | Council unable to continue its business                                      | L/M          | Ongoing monitoring of Government guidance, early intervention measures such as delegation of powers     | <b>Clerk to draft Delegated Powers Policy for adoption by Council</b>                  |
|                           | Clerk incapacitated or otherwise unable to perform duties                            | Council daily business interrupted.<br>Non-compliance with legal obligations | M            | Processes, regular task lists, passwords etc in place and accessible to Chair or designated councillor; | <b>Briefing of Chair and/or designated councillor;<br/>Secure sharing of passwords</b> |
|                           |                                                                                      |                                                                              |              | Membership of NALC/CAPALC for advice and support;                                                       | <b>Council to consider membership</b>                                                  |
|                           |                                                                                      |                                                                              |              | Key Staff insurance cover in place                                                                      | <b>Clerk to check insurance policy</b>                                                 |
|                           | Permanent loss of Clerk or other staff                                               | Unable to fulfil functions as above                                          |              | Assessment of role and recruitment of replacement                                                       | No staff other than Clerk<br>Take advice from Clerk <b>or</b> CAPALC when need arises  |

|                  |                                                                                            |                                                                                     |   |                                                                         |                                                                                             |
|------------------|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
|                  | Contractor/supplier incapacitated, insolvent or otherwise unable to fulfil contracted work | Work not completed/service not provided, reputational damage, danger to public      | M | Contract is suspended or terminated                                     | No current contractors - No action until need arises                                        |
|                  |                                                                                            |                                                                                     |   | Alternative contractor(s) to take on work                               | No current contractors - No action until need arises                                        |
|                  | Leadership or management of agreed activity or project fails                               | Project not fulfilled, reputational damage, financial loss, legal action            | H | Clear decision-making and project planning at an early stage            | None until need arises                                                                      |
|                  |                                                                                            |                                                                                     |   | Project/activity monitoring tool kept up-to-date and reviewed regularly | None until need arises                                                                      |
| Meeting Location | The Golden Pheasant is unavailable                                                         | Physical meeting not possible (virtual meetings are not legally permitted)          | M | Alternatives are outdoor public space                                   | <b>Council to consider additional alternative venues</b>                                    |
|                  | Unable to access venue for meeting                                                         | Cancellation of meeting, Council unable to carry out business                       | L | Contact details available to Clerk, Chair and Vice-Chair for venue      | <b>Council to consider additional alternative venues</b>                                    |
| Council records  | Paper - loss through theft, fire, flood or other damage                                    | Important records permanently lost                                                  | L | All documents scanned and held electronically                           | <b>Clerk to check/ensure electronic records are up to date</b>                              |
|                  |                                                                                            |                                                                                     |   | Historic documents incl Minutes held at Peterborough Archive            | <b>Archiving task to be carried out</b>                                                     |
|                  | Electronic - loss through data corruption, theft of or damage to IT equipment              | Permanent loss of important and confidential data including scanned paper documents | H | Regular back up to external hard drive;                                 | <b>Purchase of external hard drive</b>                                                      |
|                  |                                                                                            |                                                                                     |   | Secure storage of IT equipment including external hard drive            | <b>Storage of external hard drive separately from laptop<br/>Purchase of Council laptop</b> |

|                |                        |                         |              |                           |                        |
|----------------|------------------------|-------------------------|--------------|---------------------------|------------------------|
| <b>FINANCE</b> |                        |                         |              |                           |                        |
| <b>Subject</b> | <b>Risk Identified</b> | <b>Potential impact</b> | <b>Level</b> | <b>Management of Risk</b> | <b>Action Required</b> |

|                  |                                                            |                                                              |   |                                                                                              |                                                                                                                                     |
|------------------|------------------------------------------------------------|--------------------------------------------------------------|---|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Fund sufficiency | Inadequate funds                                           | Unable to fulfil statutory and/or agreed council commitments | M | Regular financial management reporting to Council                                            | Already in place                                                                                                                    |
|                  |                                                            |                                                              |   | Budgeting process followed correctly                                                         | Already in place                                                                                                                    |
|                  |                                                            |                                                              |   | Adequate precept claimed correctly                                                           | Already in place                                                                                                                    |
|                  |                                                            |                                                              |   | End of year reporting informs adjusted budget                                                | Already in place                                                                                                                    |
|                  |                                                            |                                                              |   | Good management of accounts receivable                                                       | None until need arises                                                                                                              |
|                  |                                                            |                                                              |   | Adequate reserves held for known and unexpected contingency<br>Agree reserves at each budget | <b>Clerk to draft Reserves Policy for adoption by Council</b>                                                                       |
| Precept          | Non-claim of (adequate) precept                            | Inadequate funds/cashflow to fulfil council obligations      | L | Budgeting process followed correctly                                                         | Already in place                                                                                                                    |
|                  | Non-receipt of precept                                     |                                                              |   | Precept claim submitted on time                                                              | Already in place                                                                                                                    |
|                  |                                                            |                                                              |   | Capital grants claimed immediately work is invoiced                                          | None until need arises                                                                                                              |
| Banking          | Clerk unable to set up online payments                     | Unable to fulfil payment obligations                         | H | Chair (and/or designated councillor) set up as online Administrator(s)                       | <b>Clerk to be added to bank mandate</b>                                                                                            |
|                  | Insufficient Councillors able to authorise online payments |                                                              |   | All councillors with internet access have and use active bank login                          | <b>Set up of internet banking<br/>Arrange authorisation by 2 Councillors<br/>Ensure all Councillors have authority to authorise</b> |
|                  |                                                            |                                                              |   | Chequebook available as alternative form of payment                                          | Held by Clerk                                                                                                                       |
|                  | Insufficient Councillors as signatories                    |                                                              | M | All councillors designated as bank signatories                                               | <b>Set up all Councillors as bank signatories</b>                                                                                   |
|                  |                                                            |                                                              |   | Bank mandates signed and submitted as soon as possible after change of Council circumstances | Already in place – <b>current change outstanding</b>                                                                                |
|                  | Fraudulent or other loss of funds                          | Loss of funds                                                | L | Adequate internal financial controls                                                         | Already in place                                                                                                                    |

|                 |                                         |                                                 |   |                                                                                                |                                                                                                        |
|-----------------|-----------------------------------------|-------------------------------------------------|---|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                 |                                         |                                                 |   | Adequate insurance (incl FCS)                                                                  | <b>Clerk to check Insurance Policy</b>                                                                 |
| Cash            | Fraudulent or other loss of cash        | Loss of funds                                   | L | No cash handled                                                                                | Already in place                                                                                       |
|                 |                                         |                                                 |   | <b>If cash required</b> , adequate banking and internal financial controls, i.e.               | To be reviewed as required                                                                             |
|                 |                                         |                                                 |   | Cash to be handled by Clerk and one authorised Member, or two authorised Members, at all times | None until need arises -<br>To be included in activity-specific risk assessment                        |
|                 |                                         |                                                 |   | Cash to be recorded, kept in a secure safe overnight and banked as soon as possible            | <b>Clerk to check Insurance cover for storage of cash including amount to be kept in a secure safe</b> |
|                 |                                         |                                                 |   | Adequate insurance                                                                             |                                                                                                        |
| Salaries        | Non- or incorrect payment               | Staff not paid, employment obligations not met  | L | Adequate internal processes including Clerk cover if indisposed                                | See Management schedule and Banking above                                                              |
| Tax obligations | PAYE/NI not processed or paid correctly | Fined by HMRC                                   | L | Adequate internal processes including Clerk cover if indisposed                                | See Management schedule and Banking above                                                              |
|                 | VAT not re-claimed                      | Loss of income                                  | L | Adequate internal processes including Clerk cover if indisposed                                | See Management schedule                                                                                |
| Grants awarded  | Fraudulent or improper use of funds     | Reputational damage                             | L | All grant applications submitted in writing and checked by the Clerk                           | <b>Clerk to draft Grants Policy for adoption by Council</b>                                            |
|                 |                                         | Non-fulfilment of promised community initiative |   | Award resolved by full council and paid against invoice or other approved paperwork            | Already in place                                                                                       |
|                 |                                         |                                                 |   | Adequate procedure in place to ensure fulfilment                                               | Already in place                                                                                       |

| PHYSICAL ASSETS  |                                           |                                                      |       |                                |                  |
|------------------|-------------------------------------------|------------------------------------------------------|-------|--------------------------------|------------------|
| Subject          | Risk Identified                           | Potential impact                                     | Level | Management of Risk             | Action Required  |
| Assets Generally | Assets not checked or maintained properly | Loss of use through theft, vandalism or other damage | M     | Asset Register kept up to date | Already in place |

|             |                                                 |                                 |   |                                                                                    |                                                                                         |
|-------------|-------------------------------------------------|---------------------------------|---|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
|             |                                                 | Danger to public                |   | Adequate insurance in place                                                        | Clerk to ensure Insurance Policy adequate                                               |
|             |                                                 |                                 |   | Regular inspections carried out                                                    | Inspection required for assets – Council to agree Inspection Schedule                   |
| Maintenance | Inadequate maintenance carried out              | Loss of use or danger to public | H | Adequate budget and reserves allocated                                             | Under review                                                                            |
|             |                                                 |                                 |   | Maintenance needs are reported to and agreed by Council as a result of inspections | Clerk to draft Assets Inspection Schedule<br>Inspection reports to be completed/checked |
|             |                                                 |                                 |   |                                                                                    | Relevant motion to be brought to council                                                |
|             |                                                 |                                 |   |                                                                                    | Agreed maintenance carried out in a timely fashion                                      |
| Adequacy    | Insufficient assets in place for community need | Reputational damage             | M | Regular inspections carried out                                                    | Inspection reports to be completed/checked                                              |
|             |                                                 | Misuse of existing assets       |   | Purchase of additional assets agreed by Council                                    | Relevant motion to be brought to council                                                |
|             |                                                 |                                 |   |                                                                                    | Purchases to be installed in a timely fashion                                           |

| LIABILITY        |                                                                         |                                                   |       |                                                                       |                                                     |
|------------------|-------------------------------------------------------------------------|---------------------------------------------------|-------|-----------------------------------------------------------------------|-----------------------------------------------------|
| Subject          | Risk Identified                                                         | Potential impact                                  | Level | Management of Risk                                                    | Action Required                                     |
| Public liability | Risk to members of public, members, contractors and other third parties | Legal action, reputational damage, financial loss | M     | Adequate insurance held, reviewed annually and at any material change | Clerk to check Insurance Policy                     |
|                  |                                                                         |                                                   |       | Activity-specific risk assessments carried out                        | Clerk to draft template for adoption by Council     |
|                  |                                                                         |                                                   |       | Assets inspected regularly and adequately maintained                  | As above, Clerk to draft Assets Inspection Schedule |

|                                      |                                      |                                                                                                                  |   |                                                                                                                                  |                                                                                               |
|--------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Employer liability                   | Risk to employees                    | Legal action, reputational damage, financial loss                                                                | M | Adequate insurance held, reviewed annually and at any material change                                                            | <b>Clerk to check Insurance Policy</b>                                                        |
|                                      |                                      |                                                                                                                  |   | Employment contracts and regular appraisals carried out                                                                          | Already in place                                                                              |
|                                      |                                      |                                                                                                                  |   | Proper day-to-day management of and communication with employees<br>Clerk reports to Chair / Vice-Chair / Council as need arises | Already in place                                                                              |
|                                      |                                      |                                                                                                                  |   | Risk assessments carried out and shared with employees                                                                           | <b>Working from home / lone working policy to be drafted by Clerk for adoption by Council</b> |
|                                      |                                      |                                                                                                                  |   | All HMRC and pension obligations carried out correctly                                                                           | Already in place                                                                              |
| Council reputation and relationships | Misunderstanding, poor communication | Reputational damage, damaged relationships with other organisations or individuals, legal action, financial loss | H | All communications confirmed in writing by or via the Clerk                                                                      | Already in place                                                                              |
|                                      |                                      |                                                                                                                  |   | Decisions by Council Minuted and actioned as agreed, in a timely fashion                                                         | Already in place                                                                              |
|                                      |                                      |                                                                                                                  |   | Councillor's portfolio of responsibilities undertaken as agreed                                                                  | <b>Council to agree Portfolio Clerk to publish and display in noticeboard</b>                 |
|                                      |                                      |                                                                                                                  |   | Clerk appraisal carried out annually by appointed Councillors                                                                    | Already in place                                                                              |
|                                      |                                      |                                                                                                                  |   | Members observe the adopted Code of Conduct, policies and procedures                                                             | Already in place                                                                              |

| COMPLIANCE WITH LEGAL OBLIGATIONS |                                                 |                                                    |       |                                                                                                          |                  |
|-----------------------------------|-------------------------------------------------|----------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------|------------------|
| Subject                           | Risk Identified                                 | Potential impact                                   | Level | Management of Risk                                                                                       | Action Required  |
| Legal Powers                      | Council carrying out activity beyond its powers | Reputational damage, statutory fines, legal action | M     | All decision-making carried out in accordance with Standing Orders and clearly Minuted                   | Already in place |
|                                   |                                                 |                                                    |       | Council meetings chaired properly, in accordance with Standing Orders and in consultation with the Clerk | Already in place |

|  |                                                                          |                                                              |     |                                                                                                                                 |                                                                                  |
|--|--------------------------------------------------------------------------|--------------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|  |                                                                          |                                                              |     | Resolutions and agreed actions recorded and regularly reviewed                                                                  | Already in place                                                                 |
|  |                                                                          |                                                              |     | Clerk and councillors receive regular training                                                                                  | <b>Review required</b>                                                           |
|  |                                                                          |                                                              |     | Clerk consulted on planned activity prior to motion brought to council                                                          | Already in place – <b>Clerk to draft Proposal template to be used by Council</b> |
|  | Committee/working party exceeding its authority                          | Council resolutions undermined, reputational damage as above | M   | Terms of Reference adopted for Committees and Working Parties and regularly reviewed                                            | No current Committees or working parties. No action required until need arises   |
|  | Councillors acting without due authority                                 | Council resolutions undermined, reputational damage as above | M   | Adopted Code of Conduct, Standing Orders and Financial Regulations observed                                                     | Already in place                                                                 |
|  |                                                                          |                                                              |     | Councillors receive regular training                                                                                            | <b>Review required</b>                                                           |
|  |                                                                          |                                                              |     | Clerk available to be consulted at all reasonable times within terms of contract                                                | Already in place                                                                 |
|  |                                                                          |                                                              |     | Contractors and other organisations advised to accept instruction from the Clerk only, with exceptions resolved by full council | Already in place                                                                 |
|  | Minutes, Agenda and other Publishable documents, including Annual Return | Minutes, agenda etc not published correctly or on time       | L/M | Deadlines, statutory obligations and internal processes observed by Clerk and councillors                                       | See Management schedule                                                          |
|  |                                                                          |                                                              |     |                                                                                                                                 |                                                                                  |
|  |                                                                          |                                                              | L/M | Minutes drafted in a timely fashion and approved properly at the next Council meeting                                           | Already in place                                                                 |
|  |                                                                          |                                                              | M   | Statutory registrations kept up to date (e.g. Data Protection)                                                                  | Already in place                                                                 |
|  |                                                                          |                                                              |     | Register of policies and procedures maintained                                                                                  | <b>In progress</b>                                                               |

|  |  |  |  |                                                                                       |                     |
|--|--|--|--|---------------------------------------------------------------------------------------|---------------------|
|  |  |  |  | Recommended policies and procedures adopted and reviewed in line with NALC guidelines | <b>Under review</b> |
|  |  |  |  | Published documents revised and re-published                                          | <b>In progress</b>  |

| <b>COUNCILLOR PROPRIETY</b>   |                                                                              |                                                                            |              |                                                                                                                                     |                                                                      |
|-------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Subject</b>                | <b>Risk Identified</b>                                                       | <b>Potential impact</b>                                                    | <b>Level</b> | <b>Management of Risk</b>                                                                                                           | <b>Action Required</b>                                               |
| Code of Conduct               | Contravention of Code of Conduct or Nolan Principles                         | Council undermined, reputational damage, legal action                      | M            | Adopted Code of Conduct regularly reviewed and observed by all                                                                      | Already in place                                                     |
|                               |                                                                              |                                                                            |              | Councillors aware of Nolan Principles                                                                                               | Widely published;<br><b>Clerk to check all Councillors are aware</b> |
|                               |                                                                              |                                                                            |              | All councillors attend training in new Code of Conduct as published                                                                 | <b>To be reviewed</b>                                                |
| Corporate Responsibility      | Members acting or speaking independently or without authorisation of council | Council undermined, reputational damage, legal action for libel or slander | H            | Clear motions brought to Council and resolutions minuted and published                                                              | Already in place                                                     |
|                               |                                                                              |                                                                            |              | Councillors check previous Minutes and/or with Clerk before acting on behalf of the council                                         | Responsibility of each councillor                                    |
|                               |                                                                              |                                                                            |              | Clerk instructs all contractors, places all orders and leads on all communications as per Standing Orders and Financial Regulations | Already in place                                                     |
|                               |                                                                              |                                                                            |              | Powers are delegated to the Clerk only, in accordance with Standing Orders, Financial Regulations or resolution by full council     | Already in place                                                     |
| Pecuniary and other interests | Bias or pre-determination in council decision-making, conflict of interest   | Non-compliance with statutory obligations,                                 | M            | Members' Declaration of Interests in place and reviewed regularly                                                                   | Already in place                                                     |

|  |  |                                    |  |                                                                               |                                   |
|--|--|------------------------------------|--|-------------------------------------------------------------------------------|-----------------------------------|
|  |  | reputational damage, legal action, |  | Training attended by all councillors                                          | <b>Requires review</b>            |
|  |  |                                    |  | Pecuniary and other interests declared at Council meetings as required by law | Responsibility of each councillor |

END OF SCHEDULE