

SANDOWN TOWN COUNCIL

RISK MANAGEMENT

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 Town 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:

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and control of the risk and record all findings
- Review, assess and revise if required.

MANAGEMENT				
Subject	Risk(s) Identified	Level	Management/ Control of Risk	Review/Assess/Revise
Forward planning	The council does not have or work to, any forward plans. Decisions are being made as and when needed without any long term planning. The situation at the Stephen Jenkin playground was avoidable. Relying on immediate responses and ad hoc decisions as short term fixes is not good governance and often cost more expense and work in the long run.	H	The council should endeavour to work to some form of longer term plan. As a minimum this should be for at least the duration of the term of office.	Review quarterly Revise prior to budget.
Risk Assessments	The council does not undertake risk assessments which are not just for health and safety measures but should be robust documents and include the legal, financial and long term implications for proposed projects or future acquisitions.	H	A risk assessment of the all assets owned by the Town Council should be undertaken annually. A risk assessment must accompany any proposed large projects or acquisitions before any decision or financial expenditure is made.	Review at least annually
Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance	L	All files and recent records are kept in the office. The clerk makes a monthly back up of data files. IWSLCC Secretary available for advice and locum support for key staff. From 2018 A schedule of dates for events/contracts/ etc being undertaken with all key contacts being compiled to aid in event of emergency handover.	Review when necessary Ensure procedures below are undertaken
Meeting location	Adequacy Health and Safety	L	Meetings are held in a room at the Business Hub. Accessible to all but room too small with the public present and inadequate to comply with fire evacuation procedure. From Jan 2018 meetings to be held at Primary School.	From 1 st April 2018 all meetings will take place in the hall at the Broadway Centre to accommodate 100 seated

Council Records	Loss through theft, fire, damage	L	Some older records are retained at the IW County Record store. All other papers are stored in the office and lock up. From Mar 2018 – all records will be kept in council office storeroom and document retention policy implemented.	Fire alarm in situ – doors all securely locked in offices when vacated.
Council Records electronic	Loss through damage, fire, corruption of computer	M	Back-ups of the files are taken regularly and are checked to ensure readability of data. Adequate antivirus protection is renewed annually.	External hard drive back-up of electronic files produced and kept in safe.
Clerk	Loss of qualified clerk	H	The council must make all efforts to understand and support the Clerk's role.	Adequate reserves held
	Loss of General Power of Competence	H	Reserves should be held to enable training for the Cilca qualification in the event of the clerk resigning.	
	Fraud	M	The requirements of Fidelity Guarantee insurance must be adhered to	
	Training	M	The Clerk should be provided with training as requested, reference books, access to assistance and legal advice via SLCC and time to attend IWSLCC training and meetings and research.	

FINANCE				
Area	Risk(s) identified	Level	Control of risks	Review/Assess/Revise
Audit compliance	Failure of 2016/17 Annual Return as indentified by the Auditors.		Measures have been implemented with an action plan and financial schedule. Councillors have agreed to undertake financial training in 2018	To note and act on the internal and external auditor's reports.
Precept	Adequacy of precept	L	Sound budgeting to underlie annual precept..The Council receives a budget update report including actual position and projected position to the end of the year.	Existing procedure adequate
Financial records	Inadequate records Financial irregularities	L M	The Council has Financial Regulations which set out the requirements Internal and External Audit	Existing procedure adequate Financial Regulations renewed and updated Jan 2018
Data held	Risk of consequential loss of income or data	M	Insurance cover. Important documents are backed up regularly.	Existing procedure adequate
Cash	Loss of cash through theft or dishonesty	H	Receipts required for spending of petty cash. Fidelity Insurance in place.	Existing procedure adequate Financial Regulations renewed and updated Jan 2018
Bank and Banking	Financial controls and records Bank mistakes Loss Change	L	Bank reconciliation for all accounts presented monthly from 2018 Two signatories are required for payments approval All sums of money to be banked in accordance with financial regulations. 2018 - Internet banking control added to amended financial regulations Debit card payments included in list of payments presented to monthly meetings	Financial Regulations renewed and updated Jan 2018 Town clerk to check bank statements monthly against payments
HMRC	Comply with Customs and Excise Regulations	H	Use help line when necessary. VAT payments and claims calculated by RFO. Internal auditor to provide additional check.	Existing procedures adequate

Reporting and auditing	Information communications	L	From 2018 Monthly financial reports include bank reconciliation of each account, list of payments for approval and receipts and expenditure against budget Transparency Code compliance currently be implemented	Procedures improved
Borrowing	Complying with borrowing restrictions	L	Borrowing requirements to be reviewed in light of any project and in accordance with regulations.	Existing procedures adequate
Grants payable	Power to pay Authorisation of council to pay	L	All such expenditure is undertaken in accordance with Council policy and minuted	
Election costs	Risk of an election costs	L/M	Risk higher in election year. When an election is due, the Clerk can obtain costs from IWC for a full election and uncontested election. A contingency funding should be maintained to meet the costs.	Existing budgetary and precept process adequate.
VAT	Reclaiming Existing procedures were not adequate for the new build as substantial amount of VAT is currently unable to be reclaimed.	M H	Financial Regulations set out requirements for VAT Professional assistance has been commissioned. An implication of VAT on future large expenditure needs to be included in the Risk Assessment.	Review annually
Annual Return	Submit within time limits	L	Annual Return submitted to the internal auditor for completion , signed by the Council and sent on to external auditor within time limit.	In accordance with the External Auditors report 2017, an action plan and yearly financial schedule adopted Jan 2018
Insurance	Adequacy Cost Compliance Risk to third party, property or individuals. Fidelity	M	An annual review is undertaken before the renewal, of all arrangements. Insurance for Public Liability, Employers Liability and Fidelity Guarantee are a statutory requirement. Risk Assessment of any individual event must be undertaken and insurance company notified.	Existing procedures adequate Review provision and compliance annually
Contracts	Inadequate contract details leading to lack of monitoring or evidence of contract compliance.	M	All contracts to have clearly defined terms and conditions.	2018 Procedures being reviewed to comply with Transparency Code.

PHYSICAL EQUIPMENT OR AREAS				
Area	Risk	Level	Control of risks	Review/Assess/Revise
Assets	Loss or Damage Risk/damage to third party(ies) property	L M	An annual review of assets is undertaken for insurance provision and maintenance schedule Noted that in 2017 assets disposed without record taken and register unavailable. For 2018 – new assets register complied. Revised Standing Orders refer to procedure for assets disposals.	Previous procedures inadequate. Reviewed and new procedures now in place.
All equipment Seats/Signs Toilets Playarea	Vandalism and accidental damage	M	Insured against theft and damage. Regular inspections of playground/skate park areas All repairs and relevant expenditure for repairs are auctioned /authorised in accordance with Standing Orders. All Leases/licences held in filing cabinet for review as required and proof of ownership Any damage to be logged and held on file. RoSPA inspection undertaken annually	Insurance adequate 2018 inspection procedures to be reviewed and training provided are carried out and recorded 2018 Annual risk assessments on all facilities and equipment will be undertaken

LEGAL LIABILITY				
Area	Risk	Level	Control of Risk	Review /Assess/Revise
Legal Powers	Illegal activity or payments	L	All activity and payments made within the powers of the Town Council (not ultra vires) and to be resolved and clearly minuted.	Revised S/O and Fin. Regs introduced 2018
	Committees / Working Parties	M	Ensure established with clear terms of reference.	Committees dissolved Dec 2017
Council meetings	Legality	L	Minutes and Agenda are produced in the prescribed method by the Clerk and adhere to legal requirements.	Existing procedures adequate Members adhere to Code of Conduct
	Non compliance with statutory requirements	L	Minutes are approved and signed at the next Council meeting and displayed according to the legal requirements.	All Chairman should undertake training to understand the role.
	Business Conduct	M	Business at meetings should be managed by the Chair. Councillors should adhere to the rules and regulations.	
Members interests	Conflict of interests	M	Councillors have a duty to declare any interest at the start of the meeting	Existing procedures adequate
	Register of members interest	M	Register of interest forms to be reviewed annually	Members take responsibility to update their own Register.
Safe keeping of Council Document	Proper document control	L	Documents are held in locked cabinets. All other data is stored in compliance with the Data Protection Act Policy.	Existing procedures adequate
<p>Date of Meeting approved: 19th February 2018 Minute no: Date of Next review: Feb 2019</p>				