



## ALFRETON TOWN COUNCIL

### RISK MANAGEMENT POLICY

This policy creates a system for controlling the Council's Assets and Liabilities by identifying areas which need to be monitored and have adequate measures for protection.

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#### 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.

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focused approach to managing risk.

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#### Risk Plan

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.

Risk assessment is a continuous process for the Council. Risks may be financial or non-financial.

The Council are responsible for the management of risk in accordance with this policy and plan. 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.

Key risks are identified in the Risk Management Plan and Register.

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.

This plan defines how the Council will manage identified risks. Risks can be defined as any threat or possibility that an action or event will adversely (or beneficially) affect the interests of the Council. Risk management is not a process of avoiding risk altogether but seeks to identify risk and assess its implications in order to inform decisions.

Generally much of the identified risk, which can be quantified, is covered by insurances carried by the Council, i.e.

- Public liability
- Employer liability
- Money
- Fidelity guarantee

- Property damage
- Officials indemnity
- Equipment

The Council will review the Plan annually.

The Plan should read in conjunction with the Council's Financial Regulations and Health and Safety Policy.

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### **Risk Identification**

Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed.

Once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.

An assessment should be undertaken of the impact and likelihood of risks occurring scored on a low, medium or high matrix. A priority then needs to be given for remedial action to be taken.

Likelihood and risk

Low

Medium

High

Priority

1 immediate

2 within 1 month

3 within 3 months

4 within 6 months

5 annually

It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The process must be driven from the top but must also involve staff throughout the organisation.

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**RISK MANAGEMENT REGISTER**

Likelihood and risk  
 Low  
 Medium  
 High

Priority

1 immediate, 2 within 1 month, 3 within 3 months, 4 within 6 months, 5 annually

<b>RISK</b>	<b>LIKELYHOOD</b>	<b>IMPACT</b>	<b>MITIGATION &amp; PRIORITY</b>	<b>CONTROL</b>	<b>RESPONSIBILITY</b>
Damage to Council assets	Medium Previous damage to property at Alfreton House due to Anti-Social Behaviour (ASB)	Cost of replacement or repair	The assets register is kept up to date.  5 annually with audit	Assets are covered by insurance and security measures. Insurance cover regularly reviewed.	Clerk
Financial loss due to banking error	Low At least monthly checks made	Reduction in Council's financial resources.	Monthly balance of accounts Funds in 2 accounts to provide FSCS cover  5 annually	Application of financial regulations, including scrutiny of all bank statements upon monthly. Periodic review of banking arrangements to secure best possible terms and conditions.	Clerk and Responsible Finance Officer (RFO)

<b>RISK</b>	<b>LIKELYHOOD</b>	<b>IMPACT</b>	<b>MITIGATION &amp; PRIORITY</b>	<b>CONTROL</b>	<b>RESPONSIBILITY</b>
Loss of monies due to fraudulent action by employee(s)	Low Any significant impact would easily be detectable.	Reduction in Council's financial resources.	All transactions authorised by two Councillors, against invoices. All expenditure approved. by Council. Accounts subject to Council and Auditor scrutiny. Fidelity insurance £250k. Security arrangements are in place. CCTV coverage, a safe for the security of any valuables and a small amount of petty cash held  5 annually	Application of financial regulations. Council.	Clerk and Responsible Finance Officer (RFO)
Council processes not in place or reviewed regularly	Medium Regular review required for changes in regulation and appropriateness	Council decisions and activities may not be in line with legislation	Regular review of all policies Standing Orders adopted since 2010? Standing Orders Financial Regulations Equal Opportunities Member Interests Agendas and minutes signed Risk Assessments	Ensure all members and staff aware of processes and legislation	Clerk

			Insurance Code of conduct 5 Annually		
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<b>RISK</b>	<b>LIKELYHOOD</b>	<b>IMPACT</b>	<b>MITIGATION &amp; PRIORITY</b>	<b>CONTROL</b>	<b>RESPONSIBILITY</b>
Budget Setting	Low Must be set to claim funds	Council will not receive funds	Meeting set in January to set the budget  5 Annually	Officers responsible for ensuring budget is set and requested	Responsible Finance Officer
Payroll and salary payments	Low Completed using HMRC site and standing orders in place	Staff members would not receive pay or may receive incorrect pay	Standing orders in place 2 members of staff can process in case of illness or holidays Payments approved by 2 members and 1 staff  5 Annually	Completed each month on or around 24th	Clerk
Damage to Council property by third party or natural causes.	Medium ASB and public access to all properties	Repair costs to be covered.	Covered by insurance, fire alarm and extinguishers. No smoking is allowed in the building. Records are kept in locked filing cabinets and on computer and computer records are backed up on to a hard drive  5 annually	Maintain property in good condition. Ensure adequacy of insurance cover and protection systems.	Clerk

<b>RISK</b>	<b>LIKELYHOOD</b>	<b>IMPACT</b>	<b>MITIGATION &amp; PRIORITY</b>	<b>CONTROL</b>	<b>RESPONSIBILITY</b>
Damage to Allotments	Low Each allotment site is managed by a group	Mot costs would be covered by their association	All the allotment sites are let to allotment associations and will be covered by the Town Council` s rules and regulations  5 Annually	All sites visited during Tour of the Town	Clerk
Personal injury/damage to member(s) of the public or their property arising from defect(s) in Council`s property.	Low Council property comprises of fixed installations. All properties checked each week.	Claims for compensation and costs to the Council in defending claims when appropriate.	Covered through Council`s insurance(s) Public Liability £10 million  5 annually	Regular maintenance and prompt repair of any damage. Periodic review of insurance cover and timely renewal- significant changes to be agreed by Council.	Clerk
Compensation claim by employee (or contracted person) in respect of injury sustained in the cause of his/her employment/engagement	Low Risk assessments in place and PPE provided	Claims for compensation and associated costs.	Potential liabilities, including costs, covered by insurances (£10m)  5 annually	Maintain adequate insurance cover (as per above)	Clerk

<b>RISK</b>	<b>LIKELYHOOD</b>	<b>IMPACT</b>	<b>MITIGATION &amp; PRIORITY</b>	<b>CONTROL</b>	<b>RESPONSIBILITY</b>
Compensation claim resulting from (alleged) negligent act or accidental error or omission by the Council or its employee(s)	Low Risk assessments in place and PPE provided	Potentially a substantial cost to Council	Risk Covered by Council's insurances. Infidelity and insured for Legal costs  5 annually	Maintain adequate insurance cover. Ensure Council decisions are based on full information including professional advice where appropriate	Clerk
Actions against the Council for libel or slander.	Low Proper conduct of Council meetings and Clerk's professional judgement regarding communications	Potentially substantial cost to the Council.	Risk Covered by Council's insurances. Insured for legal expenses.  5 annually	Member awareness. Proper conduct of meetings by Chairman. Professional advice from Clerk.	Clerk
Failure to represent community interest adequately in relation to matters likely to impact significantly on the Town.	Low Parish 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/SLCC.  5 annually	Threats and opportunities reported to Council meetings. Special meetings	Clerk
Works by Contractors	Low Risk Assessments in place. Evidence of insurance required	Damage to property or public	Council insured public liability £10m. Contractors have	Risk assessments completed for reduction of any risks	Clerk



			own insurance 5 annually		
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