

Risk Management 2017

The Council should have in place a system to help it to manage risk. A council's internal auditor may use this risk management system to help to identify what tests to carry out as part of the audit.

Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery. Most clerks will already be assessing and managing risks in some way or other but there may be room to improve and document existing practices. Members are ultimately responsible for risk management because risks threaten a council's ability to achieve its objectives. The clerk should therefore ensure that members should:

- Identify the key risks facing the council
- Evaluate the potential to the council of one of these risks taking place; and
- Agree measures to avoid, reduce or control the risk or its consequence.

There are a number of common themes that are likely to emerge. These might include:

- 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, burial records, etc
- Councillor propriety – declarations of interest, gifts and hospitality etc

The clerk needs to consider each of the possible risks under each of the identified schemes. For example physical assets could be lost as a result of fire or flood, damaged by vandals, stolen or simply deteriorate through lack of maintenance. All these risks can be minimised or transferred by various means such as taking out insurance, securing alarms or by regular inspection and maintenance. In addition to identifying risk, it is a good idea to make a judgement about likelihood of the risk occurring and its potential impact. Classification need be no more complicated than high, medium or low. There are three main ways of managing risk:

- Take out insurance
- Work with another party to reduce the risk; or
- Manage the risk yourself.

Area	Risk	Level	Control (and agreed improvements)	<i>the risk assessment lacks detail of dates and amounts that allow it to be used a planning document</i>
Assets	Protection of physical assets	M	Buildings insured. Value increased annually by RPI. Insurance valuation conducted every 3 years	Insurance renewed on 4 th October premium £2956.69 3 year long term agreement. Insurance Valuations due Jan 2018 cost approx. £400
	Security of buildings etc.	M	No buildings have alarm systems apart from Bembridge Youth & Community Centre. Only authorised staff allowed in the Nissan Hut and Yard to carry out work as directed by the Clerk. Ensure that the Hut, Yard and Van are always locked up and secure when not in use to ensure that people other than those authorised cannot gain access. Contents insured for Parish Office, Nissan Hut & Yard.	Buildings and contents insurance replacement values. Tree report to be reviewed every 3 years due 19/12/17 cost approx. £1,000.
	Maintenance of buildings etc.	H	Buildings currently maintained on an ad hoc basis or as required. Planned programme of electrical testing (annually) and safety equipment maintenance in place. Council to agree how the buildings maintenance works are to be implemented and funded. Buildings maintenance programmes to be developed; specifically for 5/7 High Street and Village Hall. Budget adequate funds annually to carry out improvements. Quality of Nissan Hut?	PAT testing, electric testing, gas boiler test and fire review conducted annually. Builders quote for 5/7 High St and VH £200,400. £60,000 in earmarked reserves. Further work required.
Finance	Banking	L	Investments handled by the responsible financial officer. No more than £20,000 to be sat in the current account. Councilor double checks the payments, receipts and bank reconciliation on a monthly basis, which Full Council agrees.	Two higher interest deposit accounts of £100,000 held with Lloyds TSB; one to mature on 18/10/17 and 18/12/17
	Risk of consequential loss of income	L	Insurance cover. Sum insured £250,000 (to cover loss of income and relocating office). Important documents backed-up to Acronis via Wightcomputers.	Loss of income and relocating office covered within insurance policy. Data drives can be reinstated.
	Loss of cash through theft or dishonesty	L	Minimal cash held for petty cash only. Receipts issued. Bank reconciliation checked on a monthly basis by 2 Parish Councillors.	No more than £100 held as petty cash. Any cash paid is bank as soon as practicable.

	Financial controls and records	L	Monthly reconciliation prepared by Clerk and checked by 2 nominated Councillors and reported to Council. Two signatories on cheques. Internal and external audit carried out.	Rota of 2 Councillors checking each month working well.
	Comply with Customs and Excise regulations	L	Use help line when necessary. VAT payments and claims calculated by Clerk and checked by Assistant Clerk. Internal and external auditor provides a double check.	Additional complex VAT advice will need to be sought in conjunction with buildings maintenance works at 5/7 High Street and Village Hall.
	Sound budgeting to underlie annual precept request	M	Responsible Financial Officer prepares and Council receive detailed budgets in the late autumn. Precept derived directly from this. Expenditure against budget reported to Full Council twice a year.	New Finance & Assets committee to review budget in detail monthly and report back to Full Council. Council needs to agree strategy for budget extraordinary budget setting meeting on 5 th December 2017.
	Complying with borrowing restrictions	H	Current borrowing and payments checked by internal and external audit. Village Hall PWBL unlawful. Ensure funds are budgeted in contingency to cover in the event that VHMRC refuse to make payments.	New borrowing may need to be considered for buildings maintenance works at 5/7 High Street and Village Hall.
Liability	Risk to third party, property or individuals	M	Insurance in place. Open spaces checked regularly. Hazards investigated when reported.	Public and Employers Liability covered by insurance policy.
	Legal liability as a consequence of asset ownership (especially burial ground, playgrounds and skate park)	M	Insurance in place. Weekly checks of playgrounds and skate park undertaken by Lengthsmen and reported to Clerk. Written records kept. Annual checks by ROSPA of playground, skateboard park and Steyne park.	Annual buildings maintenance check by Lengthsmen due Nov. Rospa conducted in May and recommended actions undertaken.
Employer Liability	Comply with employment law	M	Membership of various national and regional bodies including employee's organisation SLCC and Council organisation IWALC/NALC/HALC.	Advice taken from HALC and implemented accordingly.
	Comply with Inland Revenue requirements	M	Regular advice from Inland Revenue. Internal and external auditors carry out annual checks. In house payroll with contributions being paid monthly to HMRC.	HMRC doubled checked by 2 Councillors monthly conducted bank reconciliations.
	Safety of staff and visitors	M	Annual H&S risk assessments carried out. One off risk assessments carried out particularly before public events or one of events.	All risk assessment reviewed in January as a matter of course.
Legal	Ensuring activities are within	M	Clerk clarifies legal position on any new proposal. Legal advice to be sought	New Councillors who have not

Liability	Legal powers		where necessary. Regular updates circulated to Councillors or information. New Councillors to attend effective councillor skills training. Property Solicitor appointed for all lease renewals and land acquisitions.	attended effective councillor skills training should do so within 12 month of taking office. Legal advice sought as required and circulated to Councillors. Misinterpretation of advice is an issue.
	Proper and timely reporting via the minutes	M	Council meets once a month and receives and approves Minutes of meetings held prior. Minutes made available to press and public at the Village Hall and via the web site.	Draft minutes are made available as soon as they are available normally within a few days of the meetings being held.
	Proper document control	M	Leases and legal documents in held in Parish Office locked in filing cabinets or with solicitors in the strong room. Other data storage complies with Data Protection Act.	Documents kept within locked filing cabinets and solicitors strong room for properties.
Councillor propriety	Register of interest and gifts and hospitality in place	M	Register of interest completed by all Councillors. Gifts and hospitality register kept in Parish Office. Included as an agenda item at the Annual meeting of the Council as a prompt.	Reviewed at Annual Council meeting. Councillors expected to update register of interested upon changes in circumstances.
Business Continuity	Village Hall management committee dissolves	M	If the management committee were to dissolve a minimum of 3 Parish Councillors would be appointed to form a new management committee. Parish Staff to ensure day to day activities continue and new members sought.	Loss on income included within VHMC insurance policy. Parish Council to step in to ensure day to day activities continue.
	BYCC management committee dissolves	M	If the management committee were to dissolve a minimum of 3 Parish Councillors would be appointed to form a new management committee. Parish Staff to ensure day to day activities continue and new members sought.	Loss on income included within BYCC insurance policy. Parish Council to step in to ensure day to day activities continue.
	Parish Office staff unavailable from sickness or holiday	M	Parish Councillors can cover the office for short periods of time.	Short term cover could be provided by Parish Councillors.

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

- Insurance Valuations due Jan 2018 cost approx. £400 November FC agenda item
- Tree report to be reviewed every 3 years due 19/12/17 cost approx. £1,000 November FC agenda item
- Council to agree how the buildings maintenance works are to be implemented and funded. Builders quote for 5/7 High St and VH £200,400. £60,000 in earmarked reserves. Finance & Assets committee to work on proposals and implement works.
- Additional complex VAT advice will need to be sought in conjunction with buildings maintenance works at 5/7 High Street and Village Hall.
- New Councillors who have not attended effective councillor skills training should do so within 12 month of taking office. Legal advice sought as required and circulated to Councillors. Misinterpretation of advice is an issue.
- Village Hall PWBL unlawful. Ensure funds are budgeted in contingency to cover in the event that VHMC refuse to make payments.
- How to retain volunteers for the future to manage Village Hall and BYCC?
- Maintain safe working environments for employees.

