



NEWICK PARISH COUNCIL

Risk Assessment Policy

Regulations require the Council to address the issue of risk assessment as part of its day to day management process. A more detailed explanation of these regulations and an outline of the actions expected to be taken by all councils to address risk issues are contained in the publication 'Governance and Accountability for Local Councils A Practitioners Guide (England) March 2014'. The following paragraphs taken from this publication indicate the importance given to this issue.

"In all types of undertaking, there is the potential for events and consequences that may either be opportunities for benefit or threats to success. Local councils are no different and risk management is central to their strategic management" (para. 2.99).

"Risk management is the process whereby local councils methodically address the risks associated with what they do and the services which they provide. The focus of good risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences" (para 2.100)

"It is the council as a whole ... that is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of their functions and which includes arrangements for the management of risk (para 1.26).

"Under the regulations, all local councils must at least once a year conduct in accordance with proper practices, a review of the effectiveness of their system of internal control and publicly report the outcome. The Annual Governance Statement in Section 2 of the annual return provides the means for local councils to report to local taxpayers on their system of internal control" (para 1.27).

"Risk management is not just about financial management; it is about protecting the achievement of objectives set by the council to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and eventually, on the local community's Council Tax bills." (para 2.101).

"After identifying and evaluating risks councils should decide upon appropriate measures to take in order to avoid, reduce or control the risks or their consequences". (para 2.113)

"The council's internal auditor will have a role in reviewing the effectiveness of control measures that the council decides to put in place." (para 2.114).

INTRODUCTION

Good risk management enables councils to identify and, where possible, anticipate potential problems in addition to addressing the risk associated with them by the most practical and effective means available. The statement of assurance signed by the Chairman on behalf of the Council as part of the Annual Return each year indicates the extent to which the Council is expected to take account of potential risk.

The intention of this policy is to enable the Council to address its need to consider risk on a corporate basis and develop a comprehensive, practical and effective strategy. The Council's current activities have initially been broken down into identifiable risk areas with financial / administrative systems and other management responsibilities / activities. In particular see the Council's Risk & Management Controls Schedule. A full list of risk areas is contained in Appendix A. Each of these headings will be reviewed separately to identify likely risk issues and the action needed to address them. Possible courses of action available to the Council to address these issues are identified in Appendix B.

The Council will continue to identify and address risks associated with:-

- Areas of potential risk already known to the Clerk.
- Areas identified by Councillors as part of their involvement in Council business.
- Matters raised by external audit.
- Matters brought to the attention of the Council by outside bodies and parishioners.
- Matters raised by internal audit as part of their system reviews.

As part of the risk identification process a periodic comparison will be carried out between the Council's Asset Register and its insurance policy.

All matters considered by the Council will at some point make reference to any associated risk and how it is to be addressed. (This is likely to form part of the appropriate Council minute). This practice should ensure that all future risks are identified as they occur.

The Clerk will be responsible for informing the Council of any decision it needs to make with regard to addressing any identified or changed risk.

The Clerk will be responsible for maintaining the Risk file in a format that will enable both Councillors and Audit to establish easily the current status and completeness of the Council's risk assessment process.

It is expected that an annual review will either be carried out by, or reported to, the Council's Finance and General Purposes Committee in time for it to report back to full Council prior to the completion of the Annual Return. At the time this review is carried out, the Finance and General Purposes Committee will take account of such documentation as the current insurance policy, any comments made by Council and the Clerk's comments.

This policy will be reviewed annually.

To be viewed with the Parish Council Risk Assessment and Risk and Management Controls

APPENDIX A

Principle Risk Areas:

1. Systems likely to generate the need for a Risk Assessment
2. Compliance with statutory requirements
3. Awareness of responsibility
4. Audit arrangements
5. Legality issues
6. Compliance with Standing Orders and Financial Regulations including Fraud and Corruption
7. Risk Management

Other areas where there is likely to be a need to consider potential risk include:-

- 8 Property
- 9 Land
- 10 Equipment
- 11 Events
- 12 Advice
- 13 Regalia
- 14 Agency work
- 15 Employment
- 16 Council Records

APPENDIX B

Possible courses of action available to address identified areas of risk

1. Insurance taken out or insurance policy amended
2. Specific actions taken by Council employee (Clerk or Handyman)
3. Contract with outside bodies for action / maintenance to be undertaken
4. Change of wording of contracts/policies/agreements to cover risk area
5. Accounting instructions to include controls/checks
6. Working protocols to include controls/checks
7. Regulatory inspections (Fire, health and safety etc)
8. Security arrangements
9. Retained duplicate copies or records of documents/financial data etc
10. Covered by Standing Orders/Financial Regulations
11. Risk accepted – no action taken
12. Risk accepted – review in 12 months

Reviewed and Approved 27th October 2015

Signed.....(Chairman)