

# Stanley and Stanley Common Parish Council

## **Risk Assessment Policy**

## **1.0 Introduction**

1.1 Stanley and Stanley Common Parish Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and members of the public against potential losses, to minimise the uncertainty in discharging its duties and responsibilities to the community and to maximise the opportunities to achieve its goals.

1.2 The Council is aware that risks may be financial and non-financial and that some risks cannot be completely eliminated. The Council recognises that it is the responsibility of all Councillors and employees to have regard for risk in carrying out their duties. Risk management is an integral part of the Council's stewardship that provides a structured, systematic approach to managing risk.

1.3 The objectives are to:-

- Integrate risk management into the culture of the Council
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources
- To inform policy and operational decisions by identifying risks and their likely impact
- Raise awareness of the need for risk management

1.4 The objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the Council for risk management
- Providing opportunities for shared learning on risk management across the Council
- Providing risk management training and awareness sessions
- Incorporating risk management considerations into the Council's management Processes
- Effective communication and the active involvement of both employees/Parish Councillors
- Monitoring arrangements on an on-going basis

## **2.0 Risk Assessment Strategy**

2.1 This document forms part of the Council's Risk Management Plan. It sets out:-

- Risk Assessment Criteria
- Roles and Responsibilities
- Review and Monitoring
- Areas of Risk

2.2 Risk Assessment Criteria - Risks can be classified into various types and it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

- Strategic Risk - Long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the Council, loss of public confidence, in a worse case scenario Government intervention.
- Compliance Risk - Failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. Risks expose to prosecution, judicial review, employment tribunals and the inability to enforce contracts.
- Financial Risk - Fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on Council reserves.

- Operating Risk - Failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, and lengthy recovery processes.

2.3 Not all these risks are insurable and for some the premiums may not be cost effective. Even where insurance is available, a monetary consideration might not be adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.

Step 1 Identify the risks/hazards

Step 2 Decide who might be harmed and how

Step 3 Evaluate the risks and decide on precautions

Step 4 Record the significant findings and implement them

Step 5 Review assessments and update if necessary

### **3.0 Roles and Responsibilities**

3.1 Risk management and assessment is seen as a key part of the Elected Member's stewardship role including:-

- Approval of Risk Assessment Strategy
- Analysis of key risks ensuring that all future projects and services undertaken are adequately risk managed
- Consideration, and if appropriate, endorsement of the annual Statement of Internal Control
- Assessment of risks whilst setting the budget

3.2 The Parish Clerk will be responsible for overseeing the implementation of the Risk Assessment strategy by providing advice, updating the Council on the implications of new or revised legislation and reporting progress to the Council.

3.3 The Parish Clerk as Responsible Finance Officer will also assess and implement the Council's insurance requirements, assess the financial implications of strategic policy options; provide assistance and advice on budgetary planning and control.

3.4 Internal Audit provides an important scrutiny role to provide independent assurance to the council that the necessary risk management systems are in place and all significant business risks are managed effectively. Internal Audit reports and any recommendations contained within help shape the annual Statement of Internal Control.

3.5 The Parish Council will oversee review and future development of the Risk Management Policy and Risk Assessment Strategy.

3.6 Risk Management training will be provided to ensure that both Elected Members and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

### **4.0 Review and Monitoring**

4.1 This strategy/plan/policy will be reviewed on a regular/at least annual basis as part of the council's continuing review of its policy documents, Standing orders and Financial Regulations. Recommendations for change can be reported to the Council at any time.

4.2 Feedback from Internal and External Audit can identify areas for improvement as can the sharing of best practice via professional bodies and relevant local forums.

## **5.0 Key Risk Areas**

- Insurance – Reviewed annually to ensure appropriate cover in place
- Clerk/RFO role – Covered by Parish Council where possible/Temporary/Permanent Clerk via DALC/Advert ASAP
- Payroll/Accounting – Managed in-line with Financial Regulations/Legal Requirements and monitored monthly
- Recreation Ground/Asset management – Areas of responsibility monitored regularly
- Contracts – Value for money/Quality of Service in-line with Financial Regulations
- Internal Audit – Internal System of Control