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# Risk Assessment Policy

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## 1. Scope of Policy

To involve members in the ownership and accountability for corporate success and appropriate management of the associated risks.

## 2. Definition of Risk

An uncertainty of outcome of actions or events which impacts upon the Council achieving its objectives.

## 3. Policy

3.1. The Council is committed to good risk management, allowing it to:

- a) have increased confidence in achieving its objectives;
- b) constrain threats to acceptable levels (i.e. within its risk appetite);
- c) take informed decisions about exploiting opportunities; and
- d) assist the Town Clerk in completing the annual governance statement.

3.2. The Council recognises that in order to achieve its objectives it must manage risk within its risk appetite. Where risks lie beyond the risk appetite, members and the Clerk will take appropriate action to reduce those risks. A schedule of corporate risks will be maintained in a corporate risk assessment for review and approval by members.

3.3. In addition to corporate risk, members and the Clerk have a responsibility to assess and appropriately manage risk as part of the evaluation of project proposals, business cases and grant applications. The Clerk will include the detailed outcome of project and business case risk assessment in any Council agenda item that considers major financial investment. Responsibility for assessing and managing Health and Safety risks associated with Council activity and events will be managed by the Clerk with methods of safe working communicated to and adhered by members and contractors.

3.4. The Clerk and members are responsible for assessing and managing risk as an integral part of their day-to-day role in ensuring the Council's objectives are met, recognising that all risk categories must be considered, including reputation, health and safety and financial risk. Where risks are identified which have the potential to impact upon the Council's objectives, these will be referred to the Clerk for consideration for inclusion in the corporate risk assessment.

3.5. Members are required to at least annually review this risk assessment policy and the corporate risk assessment. This will include:

- a) reviewing the risk assessment rating criteria, risk appetite and approaches to managing risk;
- b) identifying and updating the schedule of risks;
- c) evaluating the likelihood and potential impact to the Council of each risk materialising;
- d) deciding upon measures to avoid, reduce or control each risk, as appropriate; and
- e) recording the decisions reached.

**Lothersdale Parish Council  
Financial and Management Risk Assessment 2019/20**

This Risk Assessment document was prepared in accordance with the Council's Risk Assessment Policy

<b>Risk Rating</b>	<b>L = Low</b>	<b>M=Medium</b>	<b>H=High</b>
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Area	Current and future risks identified	Level L/M/H	Management control of risks	Review - Assess - Revise
<b>Assets</b>	Protection of physical assets	<b>Medium</b>	Insurance cover in place. Ongoing repair and renewal process monitored by Clerk and Council. Yearly inspection of children's play equipment and report reviewed by the council. Woodland management plan in place for 5 years. (2015 - 2020)	
<b>Business Continuity</b>	Councillors: Losing Councillor membership or having less than 3 Councillors at any one time.	<b>Low</b>	When a vacancy arises there is a legal process to follow. This either leads to a by-election or a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment. The Council has a Co-option Policy in Place. If there are fewer than 3 Councillors at any one time on the Council it becomes inquorate. The legal process of Craven District Council appointing members takes place.	Existing Procedures Adequate
	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance.	<b>Low</b>	Almost all working files are held electronically and shared between Members. Key records such as Minutes and Annual Accounts are published on the parish council website.	Existing Procedures Adequate
	Freedom of Information Act: Policy Provision	<b>High</b>	The Council is scheduled to adopt a model publication scheme for Local Councils. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee.	Monitor and report any impacts of requests made under the FOI Act.
	Council records - electronic Loss through: Theft, fire, damage corruption of computer	<b>Low</b>	The Parish Council's electronic records are stored on the Clerk's laptop. Back-ups of the files are taken at regular intervals.	Back up of electronic files stored.
<b>Employees</b>	Fraud by the Clerk	<b>Low</b>	The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.	Existing Procedures Adequate
<b>Finance</b>	Banking [Inadequate checks]	<b>Low</b>	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts.	Existing Procedures Adequate

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Area	Current and future risks identified	Level L/M/H	Management control of risks	Review - Assess - Revise
	Bank mistakes, losses and charges	Low	Should the Bank make processing errors, these should be discovered when the Clerk reconciles the bank accounts once a month when the statement arrives. These are dealt with immediately by informing the bank and awaiting their correction. Monitor the bank statements monthly.	Existing Procedures Adequate
	Financial controls and records	Medium	Monthly payments are reported to the Council and minuted. Three signatories to be available to sign cheques. Internal and external audit controls in place. Audited accounts made available on the web site for inspection.	
	Comply with Customs and Excise Regulations	Medium	VAT claims calculated by the Clerk. Internal and external auditor to provide double check. Salary payments including PAYE are dealt with by Autela Payroll Services	
	Sound budgeting to underlie annual precept	Medium	Council to receive detailed budgets in December and Precept derived from this. Expenditure against budget reported to Council quarterly.	
	Complying with borrowing restrictions	Low	No borrowing at present.	
	Internal Audit: Completion within the time frame	Low	Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the form to complete and sign for the External Auditor. Procedures are all covered in the 'Review of Effectiveness of the system of Internal Audit' which is reviewed at least once every three years.	Existing Procedures Adequate
	External Audit: Submission of the Annual Return with the time limits	Low	A signed copy of the Annual Return approved by the Council is submitted to the internal auditor for completion and signing then checked and sent on to the External Auditor within the time limit.	Existing Procedures Adequate
	Precept: Adequacy of precept requirements not submitted to Craven DC in time	Low	To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full Council. At the Budget/Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costings obtained by the Clerk. With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from Craven District Council. This figure is submitted by the Clerk in writing to CDC.	Existing Procedures Adequate

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<b>Area</b>	<b>Current and future risks identified</b>	<b>Level L/M/H</b>	<b>Management control of risks</b>	<b>Review - Assess - Revise</b>
<b>Liability</b>	Risk to third party, property or individuals	<b>Medium</b>	Insurance in place. Open spaces and trees checked regularly.	
	Legal liability as consequence of asset ownership	<b>High</b>	Insurance in place where required. Monthly checks of the sites. Play inspection report on all children's play equipment every year and reviewed by the Council with an action plan for any issues arising from the report. A full inspection to be carried of play equipment in March of every year prior to the equipment inspection.	
	Potential risk of legal action being taken against the Council	<b>Low</b>	Public liability insurance is included in the Council's insurance provision, and advice from insurance brokers about possible threats is regularly reviewed.	Insurance is adequate for requirements
<b>Legal Liability</b>	Ensuring activities are within legal powers	<b>High</b>	Clerk checks legal position on any new proposal. Legal advice to be sought where necessary.	
	Proper and timely reporting via the minutes	<b>Medium</b>	Minutes of meetings are approved by the Council on a monthly basis. Agendas are made available to press and public via the Parish Council web site and in the Council notice board. Minutes are available on the council web site.	
	Proper document control	<b>Medium</b>	Storage of electronic information is made on a separate hard drive, which is kept by the clerk. Details of Councillors to be deleted at the end of their term of office. Storage of archive material to be placed in the village Clubhouse and Chairman as key holder.	
<b>Councillor propriety</b>	Registers of Interests and gifts and hospitality in place	<b>Medium</b>	Register of interest to be completed and supplied to CDC and a link from the Parish Council web site to CDC web site to be in place so as to provide accessibility by the public. Council members are reminded of their obligations re gifts and hospitality by way of printed details on each agenda. Special dispensation agreement for Councillors to be considered by the clerk on receipt of a written request for such action to be taken.	

This Risk Assessment document was considered by the Council at their meeting held on 13 January 2020 and will be reviewed annually.