



# Risk Assessment

Action	Date
Proposed	11/06/2020
Approved	16/06/2020
Date Reviewed / Updated	

## Introduction

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. (Audit Commission – Worth the Risk: Improving Risk Management in Local Government (2001:5))

This document has been produced to enable Lanreath 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, which:

- Identifies the subject;
- Defines the risk:
- Identifies what the probability of the risk occurring, taking into consideration the existing management procedures in place (risk barriers)
- Identifies the likely severity of the consequences if the risk occurs taking into consideration the existing risk barriers
- Identifies the risk level as a product of the probability and consequence of the risk occurring;
- Evaluates the existing risk barriers: and
- Reviews, assesses and revises procedures to provide additional risk barriers if required.

The risk level is determined using the following Risk Matrix:

		Consequences		
		(1)	(2)	(3)
Risk Category	Health and Safety (HSE)	Minor injury, no medical treatment required.	Injury or illness requiring medical treatment.	Permanent disability or fatality.
	Financial (F)	Financial loss <£100	Financial loss <£1000	Financial Loss >£1000
	Regulatory (Reg)	Low level regulatory breach.	Significant regulatory breach with external enquiry and/or enforcement	Major regulatory breach with legal proceedings.
	Reputation (Rep)	Minor or short term reputational impact.	Significant or medium term reputational impact.	Major or long term reputational impact.
	Operability (O)	Minor impact on operational efficiency	Significant impact on operational efficiency	Major and long lasting impact on ability to execute statutory functions.
Probability	(3) Likely – expected to occur at some time.	Medium (3)	High (6)	High (9)
	(2) Possible – may occur at some time.	Low (2)	Medium (4)	High (6)
	(1) Unlikely - not likely to occur under normal circumstances.	Low (1)	Low (2)	Medium (3)

Risk level definitions:

**High**

– Intolerable risk, additional risk barriers required

**Medium**

– Tolerable risk to be actively reduced as far as practicable

**Low**

– Acceptable risk, monitor and further reduce where practicable

## Risk Table:

Area of Risk	Risk Prob.	Risk Cons. (Category)	Risk level	Risk Identified	Management and Control of Risk – Risk barriers	Action or Review
<b>FINANCE AND ACCOUNTING</b>						
Annual Precept	2	2 (F)	Medium (4)	Annual precept inadequate to fund council's financial obligations in current financial year.	Annual budget set/approved in November prior to determining precept for next financial year. Budget provides adequate contingencies.  Quarterly review of budget  Bank balances reviewed at each PC meeting  Some incidents that may incur high unplanned costs are covered by insurance policy	Existing barriers considered satisfactory

FINANCE AND ACCOUNTING (Cont'd)						
Election Costs	1	2 (F)	Low (2)	Inadequate resources for Parish Council Election occurring mid-term	Annual budget includes a line item contingency for election costs	If current election costs are kept under review, existing barrier considered satisfactory
Accounting	2	2 (F)	Medium (4)	Financial loss due to accounting errors / mismanagement	Regular bank reconciliation.  Annual internal audit  Adherence to Council's Financial Regulations  Reporting of bank balances and expenditure at Council meetings.	Existing Barriers considered satisfactory
Banking	1	2 (F)	Low (2)	Financial loss due to banking errors	Regular bank reconciliation  Sound bookkeeping practice	Existing barriers considered satisfactory
Payments	1	2 (F)	Low (2)	Financial loss due to incorrect payment of invoices or salaries by cheque or on-line payment	Currently no provision in Financial Regulations for online payments  Cheques signed by 2 signatories against expenditure approved by Council	Existing barriers considered satisfactory  Additional barriers will be required if accounts are moved to online banking

**FINANCE AND ACCOUNTING (Cont'd)**

Theft	1	1 (F)	Low (1)	Financial loss due to theft or fraud both physical and on-line	<p>Adequate Insurance cover maintained, including Fidelity Insurance.</p> <p>Dual signatories required for all cheque payments against invoiced expenditure approved by Council.</p> <p>Bank accounts are currently not set up for online banking.</p>	<p>Existing barriers considered adequate.</p> <p>If accounts moved to online banking, additional barriers required to accord with Fidelity Insurance cover requirements for BACS and / or debit card payments.</p>
VAT	2	2 (F)	Medium (4)	Financial loss due to inadequate VAT recovery	<p>Annual audit and approval of accounts.</p> <p>Any deficiency in VAT recovery can be claimed within 3 years of invoice payment</p>	<p>Additional barrier proposed: Review of the accounts by a nominated councillor prior to internal audit to confirm appropriate VAT recovery.</p>

FINANCE AND ACCOUNTING (Cont'd)						
Income Tax and NI	1	2 (F)	Low (2)	Financial loss through overpayment of PAYE or NI	PAYE payments managed by PAYE contractor using HMRC PAYE Online system  PAYE payments reviewed and approved by council	Existing Barriers Considered adequate
INSURANCE						
Insurance	1	3 (F)	Medium (3)	Financial loss due to inadequate insurance cover	Adequacy of cover in Policy Schedule reviewed by Council prior to annual renewal.	Existing barriers considered adequate
Insurance	2	3 (F)	High (6)	Insurance Cover invalidated by failure to adhere to Policy conditions	Policy conditions requirements reviewed by Clerk	Additional barrier: Clerk to review Policy conditions and submit a report to Council following annual renewal
Third party Liability	2	2 (F)	Medium (4)	Financial loss due to third party claims for personal injury or property damage	Adequate indemnity insurance cover maintained  Exposure limited to policy excess, where applicable.  Schedule of cover reviewed by Council prior to annual review.	Existing Barriers Considered adequate

ADMINISTRATION						
Clerk	2	2 (O)	Medium (4)	Inability to efficiently execute statutory duties and the general business of the Council due long term illness or unavailability of the Parish Clerk	Bank mandate may be changed by 2 of three account signatories.  Council may elect a councillor as acting Clerk/RFO	Consider additional barrier:  Clerk and Chair to both maintain list of critical contacts for Council
Clerk and Councillors	2	2 (Reg)	Medium (4)	Inability to efficiently execute the statutory duties and the general business of the council due to inadequate training or knowledge of the Parish Clerk and / or Councillors	Effective hand over between Clerk appointments  Code of Conduct training completed by all Councillors  Councillors encouraged to attend training sessions offered by Cornwall Council e.g. Planning	Additional Barriers:  Sponsor Clerk enrolment with SLCC for peer support and development training  Good Councillor Guide to be made available to all councillors.  Consider joining CALC/NALC
Documentation	1	2 (Reg)	Low (2)	Inadequate filing or retention of records leads to regulatory breach	Adequate Clerk knowledge/training	Existing Barriers Considered adequate



PROPERTY						
Street Furniture	2	2 (F)	Medium (4)	Damage to bins notice boards and benches etc	Exposure to excess only – otherwise insured	Existing Barriers Considered adequate
Playground Equipment	2	2 (F)	Medium (4)	Damage to playground equipment	Exposure to excess only – otherwise insured	Existing Barriers Considered adequate
Millennium Green	2	2 (F)	Medium (4)	Damage to Millennium Green building, millennium green fencing and equipment and/or defibrillator	Exposure to excess only – otherwise insured	Existing Barriers Considered adequate
Public Convenience	2	2(F)	Medium (4)	Damage to the fabric or equipment of the Lanreath village public convenience	Exposure to excess only – otherwise insured	Existing barriers considered adequate
Councillors Property	1	2 (F)	Low (2)	Damage to Councillors Property in the course of Council business	Exposure to excess only – otherwise insured	Existing barriers considered adequate
Employees Property	1	2 (F)	Low (2)	Damage to Clerk's Property in the course of Council business	Exposure to excess only – otherwise insured	Existing barriers considered adequate
LEGAL						
Data Protection	2	3 (F) + (Reg)	High (6)	Breach of Data Protection regulations	General Privacy Notice reflects current data protection legislation – reviewed annually.  Personal data held on password protected computers.	Additional Barrier:  Consider Data Protection Insurance

LEGAL (Cont'd)						
Employment	1	3 (Reg)	Low (3)	Breach of employment law and associated regulations	Council monitors employment legislation and ensures compliance	Existing barriers considered adequate
HEALTH AND SAFETY – DUTY OF CARE						
Employees	1	2	Low (2)	Injury to Clerk or in the course of Council business	Fire & Safety inspections of Village Hall. Checks prior to each meetings: - Adequate safe parking and Hall access - Fire doors unobstructed - emergency lighting operational - Wheelchair accessibility confirmed - Adequate lighting, heating and ventilation available	Existing barriers considered adequate
Councillors	1	2	Low (2)	Injury to Councillors or damage to Councillors Property in the course of Council business	Fire & Safety inspections of Village Hall. Checks prior to each meeting: - adequate safe parking and Hall access - Adequate safe parking and Hall access - Fire doors unobstructed - emergency lighting operational - Wheelchair accessibility confirmed - Adequate lighting, heating and ventilation available	Existing barriers considered adequate

HEALTH AND SAFETY – DUTY OF CARE (cont'd)						
Third Parties	2	2 (HSE)	Medium (4)	Injury or property damage to third parties from Council facilities	Ad hoc inspection of Council property by councillors	Action: Formalise asset inspection regime
Playground Equipment	2	2 (HSE)	Medium (4)	Injury to children and / or parents from defective playground equipment	Annual inspection by external accredited inspector and any reported deficiencies rectified  Note: Insurance cover requires weekly inspections and unsafe equipment to be taken out of use	Action: Make provision for weekly general inspection
INFORMATION TECHNOLOGY						
Data	2	1 (O)	Low (2)	Loss of data necessary for the statutory and efficient operation of Council business through error, malware or hardware failures	Significant amount of data including accounts and meeting minutes still maintained in hard cops.  Council electronic data, mainly correspondence, is maintained on password accessed personal computers protected by updated anti-virus software.	Action: Develop policy for back-up requirements for critical data / electronic correspondence
Website	2	2 (O)	Medium (4)	Corruption or third party manipulation of Parish Council website	Website protected by https protocol	Existing barriers considered adequate

INFORMATION TECHNOLOGY (cont'd)						
Website	2	1 (Reg)	Low (2)	Incorrect or outdated information posted on Parish Council website	Council business section reviewed and updated monthly by Council Chairman. Community section monitored and updated by Webmaster	Existing barriers considered adequate
Website	1	3 (Reg)	Low (3)	Website content breaches Data Privacy regulations	<p>The Council's General Privacy Notice requires that written consent be obtained before any person's personal data can be uploaded to the website.</p> <p>This is administered by the Webmaster and Council Chairman and records kept of written consent.</p> <p>Restricted, password protected access to website for uploading and administration</p> <p>Privacy Policy posted on website that informs website visitors how the Council retains, processes, discloses and purges their data in line with the requirements of the Data Protection Act</p>	Existing barriers considered adequate

CONDUCT						
Conflict of Interest	1	2 (Reg) + (Rep)	Low (2)	Perceived or actual partiality, collusion, or corrupt execution of decision making by Councillors due to conflict of interests.	<p>Declaration of Interests completed by councillors on appointment and retained in Parish records and published on Cornwall Council website.</p> <p>Declaration of Interest regarding issues to be discussed required at each Parish Council Meeting</p> <p>All councillors required to attend Code of Conduct Training</p> <p>Council's Code of Conduct reviewed annually and published on website</p>	Existing barriers considered adequate
Transparency	1	2 (Rep)	Low (2)	Decision processes, policy making and procedures for contract awards perceived to be opaque by the community and other external parties.	<p>Standing Orders Financial Regulations reviewed annually and published on website</p> <p>Accounting documents published on website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities</p>	Existing barriers considered adequate

Transparency (cont'd)					Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015 published on website.	
Conduct	1	2 (Rep)	Low (2)	Conduct of Council or individual councillors below acceptable standards for those in a public office	Council Code of Conduct Code of Conduct Training Council Code of Practice for handling Complaints	Existing barriers considered adequate

### Referenced Policies, Codes and Regulations

Lanreath Parish Council	UK Government
<ul style="list-style-type: none"> <li>• Standing Orders</li> <li>• Financial Regulations</li> <li>• General Privacy Notice</li> <li>• Code of Conduct</li> <li>• Code of Practice for Handling Complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Disability Discrimination Act 1995</li> <li>• Disability and Equality Act 2010</li> <li>• Employments Rights Act 1996</li> <li>• Data Protection Act 2018</li> <li>• Local Government Act 1972</li> <li>• Local Government Act 2000</li> <li>• Audit Commission Act 1998</li> <li>• Local Government &amp; Rating Act 1997</li> <li>• Local Government Act 2003</li> <li>• Local Audit and Accountability Act 2014</li> <li>• Localism Act 2011</li> <li>• Local Government Transparency Code 2015</li> </ul>