



ALLITHWAITE AND CARTMEL PARISH COUNCIL



RISK MANAGEMENT STRATEGY

APPROVED AND ADOPTED: 14/03/2024

TO BE REVIEWED: Mar 2025 and annually thereafter.

1. WHAT IS RISK MANAGEMENT?

1.1 Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. 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, standard of conduct and service delivery arrangements (Audit Commission).

1.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety but applies to all aspects of the Council's work.

1.3 Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption or normal working. Examples are below:

- **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 and in a worst case scenario Government intervention.
- **Compliance Risk** – failure to comply with legislation, or laid down procedures, or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals, 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, lengthy recovery processes.

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

2. Risk Management Policy Statement

2.1 Allithwaite and Cartmel Parish Council recognises that it has a responsibility to manage risks effectively in order to protect employees, assets liabilities and community against potential losses and to minimise uncertainty in achieving its goals.

2.2 The Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

2.3 Risk management is an integral part of the Council's management processes.

3. Risk Monitoring

The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time. The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgments on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

4. Roles and Responsibilities

4.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below are designed to ensure that risk is managed effectively.

4.2 Members – risk management is seen as a key part of the Members’ stewardship role and there is an expectation that Members will lead and monitor the approach adopted. This will include:

- Approval of the Risk Management Strategy Analysis of key risks in reports on projects, ensuring that all future projects and services undertaken are adequately risk managed.
- Consideration, and if appropriate, endorsement of the annual Review of Internal Control.
- Assessment of risks whilst setting the precept, including any bids for resources to tackle specific issues.

5. **Parish Clerk** – will be responsible for overseeing the implementation of the detail of the Risk Management Strategy. The Parish Clerk will:

- provide advice as to the legality of the policy and service delivery choices
- update the Council on the implications of new or revised legislation.
- assist in handling any litigation claims
- advise on any health and safety implications of the chosen or proposed arrangements for service delivery
- ensure compliance with the Statement of Internal Control.

6. **Responsible Finance Officer** – As RFO the Parish Clerk will also:

- assess and implement the Council’s insurance requirements
- assess the financial implications of the strategic policy options
- provide assistance and advise on budgetary planning and control.

7. **Role of Internal Audit**

Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance that the necessary risk management systems are in place and all significant business risks are being managed effectively. Internal Audit assist the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

8. **Training**

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

9. **Review of Risk Management Strategy**

This Policy will be reviewed on an annual basis as part of the Council’s continuing review of its Policy Documents, Standing Orders and Financial Regulations. Recommendations for change will be reported to the full Council.

10. **Conclusion**

The adoption of a sound risk management approach should achieve many benefits for the council. It will assist in demonstrating that the Council is committed to continuous service improvement and effective governance.

ALLITHWAITE AND CARTMEL PARISH COUNCIL - FINANCIAL AND MANAGEMENT RISK ASSESSMENT

This document has been produced to enable the Parish Council to assess the financial and management risks that it faces and satisfy that it has taken adequate steps to minimise them.

Subject	Risk(s) Identified	High/Medium/Low	Management/Control of Risk	Review/Assess/Revise
Business Continuity	Risk of Council not being able to continue its business due to an unexpected circumstance	Low	<p>In the event of unavailability or death of the Parish Clerk, Chair contacts W&FC.</p> <p>Electronic files are backed up monthly and stored away from the Office. On-line back-up also via “Cloud”.</p>	<p>Check that back-ups are adequate.</p> <p>Review insured amounts.</p>
Precept	<p>Adequacy of precept requirements</p> <p>Requirements Submitted to Westmorland and Furness Council</p> <p>Amount not received by Allithwaite & Cartmel Parish Council</p>	<p style="text-align: center;">Low</p> <p style="text-align: center;">Low</p> <p style="text-align: center;">Low</p>	<p>To determine the amount of precept required the Parish Council will regularly receive budget update information and the precept is an agenda item for Council to consider. At the budget setting meeting Council receives a budget update report, including actual position and projected position to the year end with indicative figures or costings obtained by the Clerk. The Clerk provides a draft budget for the following year based on these costings and making provision for specific projects previously identified by the Council for the coming financial year. Following the inclusion of any amendments suggested by the Council the proposed budget is presented to the Council meeting in January for adoption and the precept amount agreed.</p> <p>The Clerk submits the precept figure to Westmorland and Furness Council in writing.</p> <p>The Clerk informs the Council when the precept is received.</p>	Existing procedure is adequate

Financial Record	<p>Inadequate Records</p> <p>Financial irregularities</p>	<p>Low</p> <p>Low</p>	<p>The Financial Regulations set out the requirements for banking, including internet banking, cheques, and electronic payments ie BACS and the reconciliation of accounts in April in view of the repeal of s.150 (5) of the LGA 1972 in respect of the two signatory rule.</p>	<p>Existing Procedures have been reviewed and additional procedures have been put in place in respect of internet banking and electronic payments. These procedures are adequate.</p> <p>Review Financial Regulations when necessary</p>
Bank and Banking	<p>Inadequate Checks</p> <p>Bank Errors</p> <p>Loss</p> <p>Charges</p> <p>Security</p>	<p>Low</p> <p>Low</p> <p>Low</p> <p>Low</p> <p>Medium</p>	<p>The Council has Financial Regulations that set out the requirements for banking, including internet banking, cheques, and electronic payments ie BACS and the reconciliation of accounts in view of the repeal of s.150 (5) of the LGA 1972.</p> <p>If the Bank does make an error when processing cheques, cash and electronic payments these are found when the bank accounts are reconciled on a monthly basis, any error is immediately reported to the Bank and corrected by them.</p> <p>Losses would result from a Bank error and these would be immediately reported to the Bank. Possible losses from unauthorised access to the Council Bank accounts are minimal.</p> <p>Bank charges are not incurred on the main account due to it being a community account.</p> <p>Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope.</p>	<p>Existing procedures have been reviewed and additions made thereto which are adequate.</p> <p>Review Financial Regulations when necessary and the bank signatory list when necessary, especially after the AGM and an election.</p> <p>Monitor Bank Statements monthly.</p>

			This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council.	
Investment policy	Failure of institution holding investment. Parish Council's deposit are not indemnified to any limit.	Medium	Restrict investment in the account with each United Kingdom clearing bank group only.	Policy formalised by minuting any changes in practice amounts
Cash	Loss through theft or dishonesty	Low	The Council has Financial Regulations that set out the requirements. Cash is banked regularly, access to petty cash is only open to the Clerk and is regularly accounted for and balanced, receipts are provided for any expenditure.	Existing procedures have been reviewed and additions made thereto which are adequate. Review the Financial Regulations when necessary
Reporting and Auditing	Information communication Compliance	Low Low	A budget monitoring statement is produced for presentation to the Council on a quarterly basis. Auditing takes place on an annual basis.	Existing communication procedures adequate. Council to ensure is has an Internal auditor to undertake the audit.
Direct Costs Overhead Expenses Debts	Goods not supplied but billed Incorrect invoicing	Low Low	The Council has Financial Regulations that set out the requirements Prior to each Council meeting invoices are checked by the Clerk. A Payment of Accounts Schedule is circulated to Councillors prior to the Council meeting and any Councillor can query an invoice with the Clerk. If satisfactory the schedule is approved at the Council meeting.	Existing procedures have been reviewed and additions made thereto which are adequate.

	Cheques payable incorrect	Low	Cheques are prepared and authorised by the Clerk and then after the Council meeting at which the payment is approved two Councillors sign the cheques.	Review the Financial Regulations when necessary
	Electronic payment incorrect	Low	If thought appropriate by the council, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories and are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.	
	Loss of Stock	Low	If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.	
	Unpaid Invoices	Low	The Council has only minimal stocks, these are monitored by the Clerk Unpaid invoices due to the Council are pursued and where possible payment is obtained in advance	
Grants and support – Payable	Power to pay and authorisation	Low	All such expenditure goes through the required process of approval, minuted and listed accordingly as a payment.	Existing procedure adequate.
Grants – Receivable	Receipts of Grant	Low	The Parish Council does not presently receive any regular grants. One off grants come with terms and conditions to be satisfied	If required a procedure would need to be developed.
Charges/Rentals Payable	Payment of charges, leases, rentals	Low	By Direct Debit provided that the instructions are signed by two members and any payments are reported to Council as made.	Existing procedures have been reviewed and additions made thereto which are adequate.
Best Value / Accountability	Work awarded incorrectly	Low	The Council has Financial regulations that set out the requirements for the awarding of contracts.	Existing procedure adequate.

	Overspend on services	Low	If a problem was encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report the matter to the Council.	
Salaries and associated costs	Salary paid incorrectly Wrong hours paid Wrong rate paid False employee Wrong deductions of NI or Tax Unpaid Tax & NI contributions to HM Revenue	Low Low Low Low Low	Payment of salaries are made by BACS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories and are retained and any payments are reported to council as made. The approval of the use of BACS shall be renewed by resolution of the council at least every two years. The Parish Council authorises the appointment of all employees and assesses salary rates in line with rates provided by NALC. Salary analysis and pay slips are produced by the Clerk on a monthly basis together with a schedule of payments to HM Revenue (for Tax and NI). Payments to HM Revenue, as from 06.04.2013, are in REAL TIME and the summary (P35) is submitted electronically at year end.	Existing appointment system is adequate. Existing payment procedures have been reviewed and additions made thereto which are adequate.

Employees	Loss of Key Personnel	Low	Reference to a Continuity Plan should be made in case of loss of key personnel	Requirement for a continuity plan
	Fraud by Staff	Low	Financial risk is low as only one member of staff has access to the petty cash.	Existing procedure adequate
	Actions undertaken by staff	Low	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Membership of W&FC /NALC
		Low	Allithwaite & Cartmel Parish Council recognises health, safety and welfare as essential in the successful operation of its activities. All operations will be conducted with due regard for the Council's statutory obligations and the appropriate safeguards to minimise risks to the health and safety of all employees and other who may be affected by our activities.	Health and Safety Policy aims to provide sound and practical advice on safe working methods and statutory requirements relevant to the work activities of the Council.
Health and Safety	Low	The Council, under The Management of Health and Safety at Work Regulations 1999:		

			<ul style="list-style-type: none"> Carries out assessments of risks to employees and the general public, that are caused by their work activities Introduces effective arrangements for planning, organising, controlling and monitoring controls and precautions Appointed a competent company to help and advise on health and safety matters Provides employees with relevant and understandable information relating to the risks arising from their work activity and the controls/precautions to be followed. 	
Employer Liability	Non-compliance with employment law or regulations	Low	Review work undertaken by employees and conduct Risk Assessments on all new work. Specialist training if required	Adequate insurance cover in place
Legal Liability	Legality of activities.	Medium	Clerk to ensure that Allithwaite & Cartmel Parish Council is updated on new statutes and legislation.	Legal updates are received from NALC.
	Proper and timely reporting via minutes.	Low	Clerk to be alert to situations where legal challenge could occur and seek prompt advice.	Advice available from NALC and Westmorland and Furness Council.
	Proper document control.	Low	Documents retained in archive store	
Insurance	Adequacy Cost Compliance Fidelity Guarantee	Low Low Low Medium	An annual review is undertaken prior to the renewal date of all insurance arrangements in place.	Existing procedure adequate. Review insurance provision annually.
Parks safety	Damage to children or other users of play equipment	Medium	All equipment checked monthly and maintained. Annual Safety Report by independent professional assessors	Any accident reports reported immediately to Chairman and full council. Annual reports are maintained.
Councillor allowances (when applicable)	Councillors overpaid Income Tax Deduction	Low	The Council has resolved not to pay allowances.	No procedure required

Election Costs (when applicable)	Risk of an election cost	Low/Medium	The risk is higher in an election year. When an election is due the Clerk will obtain an estimate of costs from the Westmorland and Furness Council for a full election and an uncontested election. There are no measures that can be adopted to minimise the risk of having a contested election as this is a democratic process which should not be stifled.	Existing procedures adequate – ie taking measures to ensure there is an amount in the budget.
VAT	Reclaiming / charging	Low	The Council has Financial Regulations that set out the requirements	Existing procedure adequate
Annual Returns	Submit within time limits	Low	The Employer's Annual Return is completed and submitted online and to HM Revenue within the prescribed time frame by the Clerk The Financial Annual Return is completed by the internal auditor and Clerk, approved by the Council and submitted to the External Auditor within the time limit	Existing procedures adequate
Legal Powers	Illegal activity of payments	Low	All activity and payments within the powers of the Parish Council to be resolved and minuted at Parish Council meetings.	Existing procedure adequate
Agendas// Minutes /Notices/Statutory Documents	Accuracy and legality Business Conduct	Low	Agendas and minutes are produced in the prescribed method by the Clerk and adhere to the legal requirements. Agendas are displayed and minutes are available in accordance with the legal requirements. Minutes are approved and signed at the following Council meeting. Business conducted at Council meetings should be managed by the Chair	Existing procedure adequate. Guidance/training to Chair should be given (if required). Members to adhere to the adopted Code of Conduct.
Members Interests	Register of Members Interests Pecuniary Interests	Low Medium	Within 28 days of taking office as a member or co-opted member, Councillors must notify Westmorland and Furness Council's monitoring officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's, or civil partners, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.	Existing procedure adequate. Councillors to take responsibility to notify Westmorland and Furness Council of update of their entry in the Register.

			<p>The Clerk is required to compile and hold a register of member's interests in accordance with agreement reached with the Monitoring Officer of the Responsible Authority and/or as required by statute.</p> <p>If a member has a pecuniary interest as defined by the Code of Conduct, then he/she shall declare such pecuniary interest as soon as it becomes apparent, disclosing the existence and nature of that interest as required.</p> <p>Councillors with a prejudicial pecuniary interest in relation to any item of business being transacted at a meeting may, having applied and had approved a request for a dispensation from the Proper Officer, under: Section 31(4) of the Localism Act 2011 be allowed to:</p> <ul style="list-style-type: none"> i) participate, or participate further, in any discussion of the matter at the meeting(s); and/or ii) participate in any vote, or further vote, taken on the matter at the meeting(s). 	
Data Protection	Policy Provision	Low	The Parish Council is registered with the Information Commissioner	
Freedom of Information Act	Policy Provision	Low	The Council conforms to the Freedom of Information Act and responds to individual requests in accordance with it.	<p>Existing procedure adequate.</p> <p>A Policy in respect of dealing with FOI is on the parish website.</p>

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Prepared by	Cllr Mike Lamb
Checked by	Cllr Steve Sim
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