

**Long Preston Parish Council
Risk Management Policy
Adopted August 2012**

1. Long Preston Parish Council is committed to identifying and managing risks, using the following procedures, and to ensure that risks are maintained at an identifiable level. Any action that is felt necessary will be taken up by the Council.
2. The Council will review risks annually, including any newly identified risks. The Review will include identification of unacceptable levels of risk. This review will take place during the last quarter of the financial year, in advance of the annual insurance renewal.
3. The approach to local council audit requires councils to provide an assessment of the ways in which business and other risks are managed in order that corporate governance arrangements are strengthened, stewardship of public funds are improved and assurance provided to taxpayers. The failure to manage risk effectively can be expensive in terms of litigation and reputation as well as an impediment to the achievement of the desired aims of the Council.
4. The Local Councils Governance and Accountability Guidance makes the following observations regarding risk management.
 - Risk management is not just about financial management, it is about setting objectives and achieving them in order to deliver high quality public services.
 - The new approach places emphasis on local councils strengthening their own corporate governance arrangements, improving the stewardship of public funds and providing assurances to taxpayers.
5. It goes on to state that members of the Parish Council are ultimately responsible for risk management because risk threatens the achievement of objectives. The Council is well placed to undertake this as many features of risk management are already well established and are effectively part of the day to day operations undertaken on behalf of the Council by the Chairman and Clerk (who is also the Proper Officer and Responsible Finance Officer). The Government's requirement to the preparation of a formal document outlining a Council's assessment of its risk management process does afford the opportunity to adapt, improve and document existing processes. Members of the Parish Council should, therefore:-
 - Take steps to identify key risks facing the Council
 - Evaluate the potential consequences to the Council if an event identified as a risk takes place
 - Decided upon appropriate measures to avoid, reduce or control the risk or its consequences.

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Risk Assessment August 2012

Risk assessment is a systematic general examination of working conditions, workplace and business activities and environmental factors that will enable the Council to identify any and all potential risks inherent in the place or its practices. Based on a recorded assessment, the Council should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible, making sure that all members of the Council are made aware of the results of the risk assessment.

This document has been produced to enable the Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimize them. In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and control of the risk and record all findings
- Recommend further controls to be implemented
- Review, assess and revise if required.

This risk assessment is clearly one of value-judgment. Risk identification can be daunting as it can lead to a long list of potential threats with no sense of their relative importance. There is no 'right' answer in terms of evaluation of potential risk as one Council's view may vary from another's depending on particular circumstances in each Parish.

The tables below are put forward for consideration by the Council and are intended to be a starting point for the development of a system of risk management by the Council.

Section	Area of risk	Consequence	Risk/ Impact	Current Control	Future control to be considered	Person responsible	Subsequent R/I	Frequency of review
1. Finance	Business Continuity	Risk of the Council not being able to continue its business due to an unexpected or tragic circumstance	M/L	None	Create management plan for: Loss or long term incapacity of the Clerk		L/L	Annual
	Precept	Adequacy of precept Requirements not being submitted to CDC in time	M/L M/L	To determine the precept required, the Council regularly receives budget update information. At the precept meeting the Council receives a budget report	Control adequate. Council to undertake short, medium and long term planning activities (1,2 & 5	RFO RFO & Full Council	L/L	Monthly Annually

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		Payments not received from CDC	H/L	including actual position and projected position to the end of year and indicative figures or costings obtained by the RFO. With this information (and the Parish Council Planning 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. The figure is submitted by the RFO. The RFO informs the Council when the monies are received.	years) during Autumn 2012 and decide on priorities for budgeting 2013/14 and 2014/15. RFO to produce costings and draft budget based on plan. Draft budget to be reviewed and adopted December / January 2012/13. Autumn 2013 to review plan and firm up plans for 2013/14. Current control adequate	RFO		Six monthly
	Inadequate records	Financial irregularities	M/H	Finance Regulations contain procedures for maintaining records. Record retention policy also applies	Current control adequate	RFO / Council members	L/L	Quarterly & annual for policy
	Bank and Banking	Inadequate Checks Bank mistakes	L/M L/M	Finance regulations contain procedures. Monthly finance reports	Current control adequate.	RFO / Council members	L/L	Annual policy review Monthly
	Cash	Loss through theft or dishonesty	L/L	Finance Regulations set out requirements for handling cash. There is no petty cash or float	Current control adequate	RFO/ Council members	L/L	Annual
	Reporting	Information communication	L/M	Quarterly reporting of income & expenditure against budget	Current control adequate Consider reporting annual	RFO	L/L	Quarterly Monthly

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				Monthly finance report Annual accounts presented for approval	accounts via Village Annual Report			Annual
	Grants and support (payable)	Inappropriate or ultra vires grants made	L/H	Adoption of Community Grants policy and procedure Autumn 2012. Monitoring of policy as part of the annual reporting to Annual Parish Meeting.	To review policy and procedure after 1 year of operation.	RFO / Council	L/L	Quarterly (on grant approval)
	Grants (receivable)	Not currently receiving any grants	L/L	The Parish Council does not currently receive any regular grants	Current control adequate	RFO / Council	L/L	Annual
	Charges – rentals receivable	Loss of income through failure to pay.	L/L	No rentals are currently receivable. Allotment rents to be paid by standing order once site obtained and allotments created.	Current control adequate	RFO	L/L	Annual
	Overspend on contracts	Unplanned overspend causing unexpected use of reserves or costs not covered by precept.	M/M	Finance Regulations provide procedure to follow.	Current control adequate	RFO / Council	L/L	Annual (review of Financial Regs)
	Salaries, fees and associated costs	Salary Spine Point applied incorrectly, pension paid incorrectly, use of home as office expenses paid incorrectly. Salaries paid incorrectly Wrong hours paid Wrong deductions of Tax & NI	M/M	Review of salaries, pensions and use of home as office expenses. Results of review minuted. Council authorises the recruitment and appointment of all employees and contractors. Salary (including hours) and contractors' rates are approved by the Council. RFO uses HMRC software for	Current control adequate	RFO	L/L	Annual

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		PAYE payments		calculation & checks tax coding when issued / received. PAYE Payments approved by full Council. Payment included in finance report. Employers annual return included in internal audit.				
	Employees	Loss of key personnel	M/H	Reference should be made to the Continuity Plan in case of loss of key personnel.	Management plan to be in place by end of 2012/13 financial year.	RFO/Council	M/L	Annual
		Fraud by staff	L/H	The requirements of the Council's insurance policy to be adhered to with regards to fraud.	Current control adequate		L/L	
		Actions undertaken by staff	L/M	Staff included in Fidelity Guarantee insurance. All employees must have adequate direction and any safety equipment needed to undertake duties. The Clerk must be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Current control adequate Current control adequate		L/L	
	Councillors' allowances	Councillors overpaid	L/L	No allowances are allocated to Parish Councillors.	Current control adequate	RFO	L/L	Annual
	Councillors' expenses	Councillors under / over reimbursed	L/M	Expenses to be claimed on expense form with attached receipts. Approved by Council	Current control adequate	RFO	L/L	Annual

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				with invoices for payment and paid by RFO				
	VAT	Reclaiming	M/H	VAT is reclaimed annually at a minimum.	Current control adequate	RFO	L/L	Annual
		Charging	L/L	There are no chargeable services.	Current control adequate		L/L	Annual
	Audit	Not carrying out statutory requirements of audit.	M/H	Internal Audit by competent and registered auditor with Local Government experience Review of internal audit recommendations External auditor appointed by Audit Commission. Review of external audit recommendations.	Current control adequate Current control adequate Current control adequate	RFO/Council	L/L	Annual Annual Annual
2. Governance	Minutes	Accuracy and legality Minutes not having Consecutive numbering Business Conduct	M/H	Minutes approved and signed at the next Council meeting Minutes produced in the prescribed method by the Clerk and adhere to legal requirements Minutes made available to the public once approved via Council's website Business conducted at Council meetings managed by Chairman of the meeting (not always the Chairman of the Council)	Current control adequate Current control adequate Current control adequate Guidance / training given to Chairman if and when required. Members to adhere to Code of Conduct and meetings managed as per Standing Orders in force at the time.	Clerk / Council	L/M	Monthly / Annual Audit
	Agenda	Agenda not issued in time	L/L	Advertising of future meetings	Current control adequate	Clerk	L/L	Monthly /

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		for meetings		on noticeboard and on website ensures bare minimum legal requirements met.				Annual Audit
	Members' Interests	Conflict of interests Register of Members' interests	L/H	Declaring of Members' interests by Councillors at a meeting is a process to remind Councillors of their duty and is on each agenda. Register of Interest forms should be reviewed regularly by Councillors	Current control adequate. Members to take responsibility to update their register.	Members of Council	L/M	Annual
	Legal Powers	Council acting ultra vires	L/H	All activities and payments within the powers of the Council to be resolved and minuted at Council meetings.	Include a reference to the legal power used for each activity or payment.	Clerk	L/L	Monthly (minutes)
	Best Value Accountability	Incorrect award of contracts (of all values) Overspend on services Appropriateness of spend	M/H	Council's financial regulations contain policy and detailed procedure for the award of contracts. Where possible criteria is to be set in advance as to how funds are to be spent. Criteria for award of individual contracts (where formal tender to be undertaken) to be approved by Council before going out to tender. Criteria for award of smaller contracts to be selected by RFO and advised to the Council at same time as recommending award of	Current control (as adopted August 2012) is adequate. Include in annual review of policy and procedure.	Clerk / Council		Annual (audit)

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Section	Area of risk	Consequence	Risk/ Impact	Current Control	Future control to be considered	Person responsible	Subsequent R/I	Frequency of review
				contract.				
	Insurance	Adequacy Cost Compliance Fidelity Guarantee	L/H	Public Liability cover Employers Liability cover Money & Fidelity Guarantee Personal Accident Buildings and contents cover Equipment Cover Equipment cover for Clerk's home Review insurance cover Consider three-five year deal Only deal with reputable insurers Annual review in undertaken of all insurance Ensure compliance measures are in place. Ensure fidelity checks are in place.	Current control adequate	Clerk / Council		Annual
	Communication with Parish	Parish unaware of Parish Council business.	M/L L/M	Parish website: noticeboard Report to Annual Parish Meeting	Keep website up to date and expand with more historical and contextual material Consider publishing an annual report on Parish Council business (including accounts) each year (1 per household) to include accounts, developments	Clerk Clerk / Council		On-going Annual (June)

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					etc.			
3. Policy & procedure	Ensure all relevant policies & procedures are in place	Lack of appropriate policies increases risk of acting unlawfully.	M/H	Ensure that all relevant policies & procedures are in place and that the adoption of policies is minuted. Ensure that all policies and procedures as adopted are available on the Council's website.	Consider wider range of policies and state rationale for deciding to not implement a specific policy. Complete main policy adoption during 2012/3 financial year.	Clerk & Council	L/L	Annual
	Review all policies & procedures annually	Out of date policies and procedures increases risk of acting unlawfully.	M/H	Undertake annual review of all policies Undertake annual review of this risk assessment.	To review annually in September / October.	Clerk & Council	L/L	Annual
4. Assets (general)	Ownership of assets	Council can lose track of assets owned by Council leading to loss or lack of maintenance	M/H	Undertake annual check of assets and review of asset register. Asset register and risk assessment checked by internal auditor	'Tag' all assets (including trees) with unique identifiers. Maintain database of assets and check for presence / condition on regular basis throughout year using appropriate record forms.	Clerk	L/M	Annual Annual
	Condition of assets	Council can lose assets because of lack of assessment of condition. Can also lead to risk of uninsurance if asset not cared for.	M/H	Survey condition of all assets at least once a year, taking photos if necessary. Review maintenance and risk assessment for items during review of insurance	Establish detailed schedule with costings for maintenance of all assets. Include maintenance schedule within grounds maintenance contract.	Clerk & Council	L/M	Annual

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Section	Area of risk	Consequence	Risk/ Impact	Current Control	Future control to be considered	Person responsible	Subsequent R/I	Frequency of review
				requirements Review maintenance schedule for assets	Clerk & Councillors to carry out regular asset conditions assessments. Assessments to be kept in asset register files.			
5. Specific Assets	Noticeboard	Injury to third parties through falling. Broken glass: risk of cuts.	L/H	Noticeboard inspected for damage (e.g. glass broken) or wood split/ cracked Insurance cover reviewed annually	Current control adequate	Clerk, grounds maintenance contractor and Council members	L/L	Monthly (on publishing agenda) Annual
	Bus shelter (stone)	Risk / damage/ injury to third parties	L/M	Shelter inspected monthly by Clerk or grounds maintenance contractor for cleanliness and damage MOPS and Council members encouraged to report problems to Clerk. Grounds maintenance contractor instructed to jet wash inside and outside annually and conduct detailed check of structure (roof, guttering, water damage, uneven floor, seat requiring repair, painting). Windows to be replaced with toughened glass (S106 money) and new frames. Ensure public know how to report defects and damage	Current control adequate	Clerk, grounds maintenance contractor and Council members		Monthly On-going Annual Single action complete by end 2012. Signs by end 2012.

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				(signs)				
	Bus shelter (wood)	Risk / damage/ injury to third parties	L/M	Shelter inspected quarterly by Clerk MOPS and Council members encouraged to report problems to Clerk. Grounds maintenance contractor instructed to clean thoroughly once a year and apply preservative as and when necessary or recommended by manufacturer. Check floor fixings Ensure public know how to report defects and damage (signs)	Current control adequate	Clerk, grounds maintenance contractor and Council members		Quarterly On-going Annual Annual On-going
	Mower	Breakdown failure: Contractor unable to carry out duties, hazard to public in causing accident	M/L	Current contractor has alternative mowing equipment for occasional use. Mower to be serviced regularly, reducing chances of breakdown. Consider replacing mower or making alternative arrangements.	Current controls adequate	Clerk / grounds maintenance contractor.	L/L	Annual When re-tendering grounds maintenance contract
	War Memorial	Injury to staff / public through tripping over chain Injury to staff / public through tripping over uneven paving Damage to memorial from impact	L/M	Memorial inspected Chain visible colour Reset paving stones Clean memorial and apply for grant to restore plaques and fix more securely SmartWater application	Current control adequate War Memorial Trust application for restoration grant Autumn 2012.	Clerk, grounds maintenance contractor and Council members	L/L	Quarterly inspection

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		Damage to memorial from theft (metal plaques) Damage to memorial from vandalism		Insure for impact damage and destruction Keep eyes and ears open for vandals				
	Street Lighting	Risk of impact damage Risk of electric shock Risk of failure (darkness) Risk of damage to property or person by falling Corrosion to columns	L/M	Inspect visually Implement recommendations of electrical contractor Report recommendations to Electricity NW / United Utilities as appropriate Consider replacement of older lights & columns	Current control adequate. Include replacement of older lights in forward planning.	Clerk, electrical contractor.	L/L	Annual On-going Annual planning
6. Open Spaces	Playing Field	Field is the responsibility of the Long Preston Playing Fields Association		Inspection of play area carried out by LPPFA. Weekly inspection sheets completed and kept. LPPFA to be asked to make these available to the Clerk on request. Inspection carried out by RoSPA approved contractor each year. Copy of inspection to be sent to Clerk once received. LPPFA hold own public liability and other insurance. Copy of Certificate and proof of payment of premium to be sent to Clerk annually or if insurance altered.	Review on regular basis.	LPPFA		Quarterly report from LPPFA Annual
	Green spaces in	Grass areas – potholes	L/M	Grass areas inspected when grass is cut and holes back filled	Current control adequate	Grounds maintenance	L/L	On-going

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	centre of village			Any reports from Council members or MOPs responded to quickly. Grass areas inspected out of growing season (especially if unusually wet)		contractor Clerk / Grounds maintenance contractor Clerk		On-going Monthly
	Grass areas	Risk of falling branches, tree falling & injuring public or staff or property	M/H	Annual inspection by arboriculturalist – record kept. Annual programme of maintenance. Council members, Grounds maintenance contractor to keep eyes open and report any signs of damage or damaged trees to Clerk. Clerk to carry out visual inspection quarterly.	Current control adequate	Clerk to arrange Clerk to arrange (triannual tender) Council members, Grounds maintenance contractor. Clerk	L/H	Annual Annual & on-going On-going Quarterly
	Fixed furniture	Fixed furniture e.g. benches, risk of theft or causing injury through damage	L/M	Benches are secured to the ground where possible. Visual checks by grounds maintenance contractor.	Current controls adequate	Clerk / Grounds maintenance contractor Grounds maintenance contractor	L/L	Quarterly On-going

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				Quarterly check on condition.		Clerk		Quarterly
	Posts / markers -	Trip hazards, damage to cars	L/M	Ensure all objects are firmly fixed or stones clearly marked. Quarterly checks by Clerk.	Current controls adequate	Clerk / Grounds maintenance contractor / Council members Clerk	L/L	On-going Quarterly
	Darkness	Trips / falls	L/M	Ensure lighting on all well used paths/ areas is in working order. Ensure public know how to report lights not in working order. Re-number lights with permanent signs. Rapid response times (to be agreed with lighting contractor) to reported faults. Council members to check nominated areas of village on agreed schedule & report problems.	Current controls adequate	Clerk / Council members Clerk Clerk Clerk / Electrical contractor Council members	L/L	On-going Annual One-off Annual Schedule to be agreed
	Dog Fouling	Public / employees	M/M	Grounds maintenance contractor to be aware of problem areas. Ensure public know how to	Current controls adequate	Clerk, Council members, grounds maintenance	L/M	On-going

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				report dog mess on paths and other well frequented areas. Educate public through newsletter articles Clear signs around Greens and other well used Council land.		contractor		Annual
	Drug use	Injury to public/ employees from sharps	L/M	Employees and volunteers to be advised of safe working procedures to deal with sharps. To be provided / to provide (contractors) with appropriate safety equipment Prompt response to reports of sharps by public Police informed	Current controls adequate	Clerk, Council members, grounds maintenance contractor	L/M	On-going Monthly grounds checks
	Leaves	Slip hazard to public / employees	L/L	Grounds maintenance contractor to clear during Autumn (Maypole Green: before Remembrance Sunday)	Current controls adequate	Clerk, grounds maintenance contractor	L/L	Annual
	Maypole	Injury to public / employees from pole falling or elements becoming detached.		Clerk to inspect visually quarterly. Grounds maintenance contractor & inspect visually and report any signs of damage or instability to the Clerk	Current controls adequate	Clerk, grounds maintenance contractor.		Quarterly On-going
7. Records								
	Freedom of Informatio	Incorrect information collected	L/M	Records to be reviewed annually, unauthorised data to	Current controls adequate	Clerk	L/L	Annual

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	n			be destroyed.				
	Information loss	Loss or destruction of paper or electronic documentation through fire, theft, damage or computer corruption.	M/H	Council records are stored at the home of the Clerk and in a locked filing cabinet at the Village Hall. Records including historical correspondence, minute books and copy leases for land or property, records such as personnel, insurance, salaries etc. Original leases and deeds are deposited with solicitors. Backup of electronic files produced using external hard drive on a daily basis. Data Protection Policy & Records Policy in place. Clerk keeps computer (not owned by Council) up to date with software and appropriate hardware.	Consider lodging older minute books with Records Office. Copies of original leases and deeds to be kept electronically for ease of access.	Clerk / Council	L/L	Annual
	Data Protection	Release of personal data to unauthorised persons	L/H	Adoption of records policy and registration with ICO as data handler. Data Protection Policy adopted. Requestors to be required to prove identity before data is released.	Current controls adequate	Clerk	L/L	Annual
8.	Meeting	Adequacy	L/L	Council meeting held in a venue	Current controls adequate	Clerk / Council	L/L	Annual

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Meetings	locations	Health & Safety		considered to have appropriate facilities for the Council, Clerk & general public. Main hall (downstairs) booked wherever possible. No facilities available at no cost to the Council	Request copy of Risk Assessment for Hall and confirm PL Cover.			

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