

## Caerwent Community Council Risk Assessment 2014

### 1. RISK MANAGEMENT

Risk Management is a systematic approach to minimising the Council's exposure to risk. A risk management system includes various policies, procedures and practices that work in unison to identify, analyse, evaluate, address and monitor risk. Risk management information is used along with other corporate information, such as feasibility, to arrive at a risk management decision. Transferring risk to another party, lessening the negative affect of risk and avoiding risk altogether are considered risk management strategies. Examples of risk management practices include purchasing insurance, installing security systems etc.

### 2. IMPACT AND PROBABILITY

**Probability** - A risk is an event that "may" occur. The probability of it occurring can range anywhere from just above 0% to just below 100%. (Note: It can't be exactly 100%, because then it would be a certainty, not a risk. And it can't be exactly 0%, or it wouldn't be a risk.)

**Impact** - A risk, by its very nature, always has a negative impact. However, the size of the impact varies in terms of cost and impact on health, human life, or some other critical factor.

The Probability and Impact in the table below are shown as High (H), Medium (M) and Low (L).

The table contains the following main headings:

- Assets; Internal Control; Finance; Compliance with Legislation; Council; Property;

Potential Consequence of Risk Scoring	Classification
Potential Consequence Score: 1-5	1-5 Low
Likelihood of Happening Score: 1-5	6-10 Medium 11-15 High 16-25 Very High
Severity Level Score – Potential Consequence x Likelihood	11-15 HIGH
	16-25 VERY HIGH

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INTERNAL CONTROLS						
Business Continuity	Council not being able to carry on business	5	3	15	High	Need to develop a Business Continuity Plan
Financial Procedures	Work not effected on time	3	3	9	Med	Financial Procedures and Policies
FINANCE						
Annual Return	Not submitted within time limit	3	1	3	Low	New procedures more than adequate
Precept	Not Submitted	5	1	5	Lo	Full Budget process in place. Prepare budget annually in November/ December. Finance Committee to consider budget annually in November/ December Council to determine precept annually in December/January Clerk/RFO to notify County Council in December/January
	Risk of precept being inadequate	3	1	3	Low	Setting budget in support of the precept and monitoring throughout the year
	Not Paid	5	1	5	Low	Clerk/RFO to monitor and report to Council Paid directly to bank account by BACS
Loss of Money						

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	Business Interrup- tion	5	2	10	Med	Not Insured – Loss of income offset by reduction in activities
	In transit	3	2	6	Med	Insured for limit of £2,500
	In Premises	3	1	3	Low	Insured for £1,000
	Private Residence of Employee	3	2	6	Med	Insure for £350
	Through Theft or dishonesty of staff & members	3	2	6	Med	Fidelity guarantee of £250,000
Reserves	Adequacy	1	1	1	Low	Current reserves more than ad- equate
Poor management of funds	Bank charges/loss of int.	1	1	1	Low	Budgetary control/quarterly Bank statement
Expenditure being incurred which is not within legal powers available	Ultra Vires expendi- ture – illegal transac- tion/local electorate challenge/external audit investiga- tion/public interest report	3	1	3	Low	Compliance with Legislation, Monthly reporting to Council, de- tailed minutes, Internal & Exter- nal Audit.
VAT requirements not being met	Entitlement to reclaim VAT for a period be- ing lost	1	1	1	Low	Annual VAT reclaim effected
Salaries/Wages	Incorrect sala- ry/wages paid	5	1	5	Low	Record of all calculations re- tained. Staff salaries/wages presented to Council monthly

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						for scrutiny and agreement.
	Incorrect salary/wage rate applied	5	1	5	Low	Record of all calculations retained. Reconcile with Council decision following consideration of annual salary review and receipt of recommendations from One Voice Wales and Society of Local Council Clerks.
	Failure to account correct deductions of NI, Tax and superannuation	5	1	5	Low	Record of all calculations retained. Maintain effective liaison with HM Revenue and Customs.
	Incorrect recording of hours	5	1	5	Low	Staff to ensure forms are properly completed. Clerk to review in preparing wages.
	Incorrect submission of PAYE/NI payments	4	1	4	Low	Returns submitted monthly and amounts reported to Council. Annual Return to be completed electronically by due date.
VAT Recovery of payments made	Improper recording of input/output VAT	5	1	5	Low	Record of all payments made to include separate entry for VAT through Receipts and Payments and voucher systems.

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	Payments not made by HMRC	5	1	5	Low	Claim submitted to H.M. Customs and Excise annually.
Financial Assistance	Legal Power to contribute	5	2	10	Med	Compliance with section 137 and other legislation
	Compliance with Council policy	4	1	4	Low	Remind Members of Policy during consideration of applications. Consider applications and monitor budget spend twice yearly.
Councillor Allowances	Incorrect payment to members	1	1	1	Low	No allowances paid other than annual Chairman's allowance
<b>COMPLIANCE WITH LEGISLATION</b>						
Budget	Not Set	1	1	1	Low	Adequate Procedures in place
Employment law Requirements	Risk of legal action from Employee	5	1	5	Low	Employees have a Contract of Employment
Legal Powers	Illegal Activities	1	1	1	Low	Adequate processes which include Standing Orders etc.
Risk of a Complaint from an elector if a contract is not fairly awarded	External auditor investigation leading to increased audit fees/public interest report/damage to Council etc.	3	1	3	Low	Standing Orders and financial regulations in place dealing with the award of contracts that are regularly reviewed

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Annual Risk Assessment	Identification of potential risks facing the Council	3	3	9	Med	Up to date Risk Assessment in place
Health & Safety Legislation	Non-compliance	3	3	9	Med	Put adequate procedures in place and fully documented
Minutes, Financial Records & Deeds	Inappropriate methods used for storage of records	5	3	15	High	Retain records electronically with Clerk with hard copy backup. Update regularly on separate hard drive. Deposit historical records with County archives.  Deposit all deeds etc with Council's solicitors
Register of members Interest, gifts and hospitality	Members interests and recording of gifts and hospitality not rigorously acknowledged and recorded	3	1	3	Low	Register maintained by Council. Declaration of Office signed by all Members and copies held by Council.
Code of Conduct	Members do not adhere to Code of Conduct	3	1	3	Low	Code of Conduct adopted by Council and implemented with copies provided on election or co-option to all Members. Members advised by the Clerk and/or the Monitoring Officer on request.
Risk Assessments	Relevant risks relating to health & safety, administrative	3	2	6	Med	<b>Undertake and keep under review a risk assessment relating to all</b>



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	and financial processes not addressed					<b>Council's sites and premises, along with its administrative and financial processes.</b> Seek professional advice from local authority, particularly regarding Health and Safety.
Consultation Responses.	Deadlines for responses not met	3	2	6	Med	Agenda consultations as priority items. Convene special meeting if necessary. Ensure system for Clerk to respond with Chairperson's agreement if essential to meet deadline.
Disability Discrimination Issues	Legislative requirements not met at Council premises	5	3	15	High	Commission expert advice to identify alterations/improvements/adaptations and implement as per programmes of repairs and improvements.
Welsh Language Policy	Statutory requirements in relation to Welsh language not properly addressed	5	4	20	High	Policy to be put in place when advised of timescales by the Welsh Language Board. Action Plan to provide appropriate services in Welsh to be implemented.
<b>COUNCIL</b>						
Minutes/Agendas/Statutory Documents	Non-compliance/Accuracy/Legality	1	1	1	Low	Fully documented

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Members Interests	Conflict of Interest Register of Members Interests	1	1	1	Low	Existing procedures adequate
Member Training	Lack of knowledge could lead to poor decision making	3	3	9	Med	Training needs Analysis will be effected
PROPERTY						
Assets	Loss/Damage thereof	5	2	10	Medium	<p>Clerk to update Asset Register annually. Monthly inspection of Community Centres, Play Areas.</p> <p>Property insured against all risks.</p> <p>Buildings, contents and equipment all insured for specified sums for replacement purposes, as appropriate.</p> <p>Clerk to review insurance provision annually.</p>
	Risk or damage to third party property or individual	5	2	10	Med	£10 million indemnity of Public Liability in place. Review annually
	Lack of adequate maintenance	5	3	15	High	Commission expert advice re buildings, playgrounds, parks and playing fields, including

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