

## **Tredegar Town Council**

### **Risk Management Policy**

#### **1. INTRODUCTION**

- 1.1 The recognition and management of risk is vital to ensure the proper management of the Council's assets and resources and efficient discharge of its duties and responsibilities to the community. Risk assessment is a continuous process which the Council needs to keep under review and ensure continuous monitoring.
- 1.2 The Practitioner's Guide on Governance and Accountability requires Councils to identify risks which it faces and put in place a scheme designed to create the necessary awareness and actions required to reduce the threat or possibility of an action or event that can impact on the interests of the Council and in turn the community it serves.
- 1.3 Risk management is not a process which seeks to avoid risk completely but it seeks to identify and assess risks on an individual basis by using a scoring methodology which identifies the severity of risk, the likelihood of it occurring and the impact if the risk was realised. Although each risk will have a different score rating, each of the risks will require an assessment of actions needed to minimise the risk.
- 1.4 The Plan which is appended to this policy identifies each of the risks that are considered to require attention as the impact of each on the Council would be of concern and in some cases could be extremely serious.
- 1.5 The Plan forms part of the internal control arrangements of the Council and will be used as part of the process of audit by the Council's Internal Auditor.
- 1.6 In most of the identified areas of risk the Council's insurance arrangements will apply such as in relation to public liability, employer liability, loss of money, fidelity guarantee, property damage, official's indemnity and loss or damage to equipment. The Council's insurers do however require the Council to adopt a process of risk management so that the exposure to insured risks are minimised.
- 1.7 An annual review of the plan in conjunction with the Council's insurance arrangements will be undertaken.

## 2. **ASSESSMENT CRITERIA**

### 2.1 Rating and Classification of Risks

The rating and classification that is used in the Plan is as follows:

#### a) **Rating**

Potential Consequence Score: 1-5 *where 1 is not serious and 5 being critical.*

Likelihood of Happening Score: 1-5 *where 1 is being unlikely and 5 being highly likely.*

Severity Level Score: Potential Consequence x Likelihood

#### b) **Classification**

1-5 Low

6-10 Medium

11-15 High

16-25 Very High

## RISK MANAGEMENT PLAN

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
<b>INCOME</b>						
Precept	Not submitted	5	1	5	Low	Full budget process in place. RFO prepares draft budget annually in December. Finance Committee considers draft budget annually in December. Full Council annually approves the budget and sets the Precept in January. RFO notifies BGCBC by 31 <sup>st</sup> January.
	Not paid by BGCBC	5	1	5	Low	RFO to monitor and report to Council. Paid directly to bank account by BACS.
	Inadequacy of the Precept	5	1	5	Low	Full Council to review/compare budget to actual quarterly to assess income and expenditure against budget headings. Bank reconciliation reports to be presented to the Council on a monthly basis as an additional method of Councillors assessing the state of the Council's finances.
Rental Fees for Allotments	Rental fees are not received from every association in a timely fashion.	2	1	2	Low	RFO to invoice tenants in April each year for annual fee. Receipts to be issued for all rental fees received and invoices to be marked with the receipt number for the purpose of internal audit checks.
Loss of Money	The loss of petty cash held by the office.	2	1	2	Low	The petty cash account held by the office is limited to £100.00 and stored in a locked tin, within the Council safe. A petty cash book is maintained recording all payments and reimbursements; reimbursement of expenditure, supported by receipts, is approved by full Council.
	Non recording of Cash payments	2	1	2	Low	Cash payments received, i.e. allotment rental, are receipted and where possible accepted in the presence of both the Clerk and RFO. Safe storage, prompt banking and recording in the Receipts Ledger.
	Loss due to Fraudulent action By employees	5	1	5	Low	All cheques signed by two Councillors against invoices. All expenditure approved by Council and accounts subject to Council scrutiny, Internal and External Audit.
	In transit, from premise, the safe, private residence of Member	5	2	10	Medium	Insurance sums are incorporated into the Council's Insurance Policy. Cash held by Council is to be at a low level, within the safe and promptly banked. Access to the safe is restricted to Clerk/RFO only, during office

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	or employee, through theft or dishonesty of staff or Members.					hours only.
Investment Strategy Income/Policy	Loss of income due to type of investment made.	5	1	5	Low	Policy in place and to be reviewed annually. Future investments to be based on stability and liquidity rather than an over focus on investment gain.
Reserves General	Inability to manage any unforeseen occurrences due to lack of cash flow.	4	1	4	Low	Council policy to maintain a non-earmarked reserve of between 3 and 12 month's annual budgeted sum, to enable Council to meet unforeseen demands. Considered at Budget setting and reviewed at end of financial year.
Reserves Earmarked	Lack of availability of funding to meet planned commitments.	5	1	5	Low	Annual budgeting process to designate Earmarked Reserves for funds to be preserved to enable services and projects to continue without impacting on and leaving an adequate level of un-earmarked reserves. Regular review to ensure sufficient and necessary.
Grants	Appropriate approved grant claims not submitted.	3	1	3	Low	Availability of grants to community councils are limited. Clerk/RFO to be responsible for processing grant applications, as instructed by Council and to report back to Council the outcome of the application. RFO to check grant payments have been received and recorded.
Recovery of VAT	VAT not recovered from the HMRC .	4	1	4	Low	RFO to make claim for reimbursement on a quarterly basis and RFO to check/record repayment once received. Annual reconciliation to be completed. Internal Auditor to check claims have been made as appropriate.

## EXPENDITURE

Legal Powers	Council acting Beyond its powers e.g. ultra vires	5	1	5	Low	All decisions of the Council to be supported by the legal source of the power that is relevant and recorded in the Minutes. Ensure compliance with Standing Orders and Financial Regulations. Annual review of Standing Orders and Financial Regulations. Advice of the Clerk/RFO to be available at all times with the option to seek further advice from One Voice Wales and/or SLCC.
Salaries and Wages	Salaries and wages are paid at incorrect rates.	5	1	5	Low	All wages and salary levels to be determined annually and recorded in the minutes. The Internal Auditor checks payroll submissions. Segregation of duties for Clerk and RFO, with Clerk seeking approval for

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	Income Tax and NI not deducted and/or not paid to HMRC. Pensions not deducted and/or paid to pension provider.	5	1	5	Low	payscale changes and RFO communicating them to the external payroll provider. Clerk verifies monthly returns prior to submissions to payroll provider.  External payroll provider uses RTI to process salary and wages payments. They deduct Tax/NI and BACS payment to pay to HMRC by due dates. They deduct pensions and BACS payment to the pension provider by due dates. RFO submissions monthly pension reports to pension provider. All salaries and payroll deductions are reported to Council monthly.
Payment of Grants/Financial Assistance and Donations.	Legal Power to Contribute.	5	1	5	Low	Compliance with LGA 1972 section 137 and other legislation.
	Compliance with Council Policy.	5	1	5	Low	Educate/remind Members of the Grant Policy. Annual review Policy to ensure it meets the aims of Council.
	Overspend.	5	2	10	Medium	RFO to monitor and report as part of the quarterly budget against actual Reviews.
Councillors Allowances	Allowances and expenses not paid In accordance with The IRPW's scheme.	4	1	4	Low	Clerk/RFO to ensure that all claims are appropriately submitted with Councillors being required to complete expenses claims forms supported by receipts as appropriate. Councillors to submit a written request to decline any mandatory allowances. RFO to ensure Councillors claiming the mandatory allowances complete a registration starter form and that they have declared whether they are entitled to working from home tax exemption. Payroll process all allowances payments and undertake all necessary calculations/deductions.
	Maintain proper records	3	1	3	Low	Letters declining payments held on file for each year. Payroll document printed and file. Expenses claim forms are completed by Councillors to enable reimbursement and appropriately filed once payment approved by Council.
Supplier fraud	Payment of invoices to wrong supplier	3	1	3	Low	Council continues to pay suppliers by cheque with RFO matching details with the order placed. No online payments to suppliers other than service i.e. payroll.

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						<p>If request received to change bank details for a service provider, the RFO is to contact the supplier to have this request verified before actioning. Council staff to vet/verify any telephone/email/written requests for our company information before engaging in a response i.e. check online the details of the requester first and contact them to confirm the enquiry has come from them.</p> <p>Check new contractor details online with Companies House, where possible, to confirm business details.</p> <p>Review any approved supplier lists to ensure they are current/active and whether still required.</p>
<b>OTHER</b>						
Council Assets	Loss/Damage thereof.	5	2	10	Medium	Annual inspections to be done by Council or appropriate contractor i.e. Clock, War Memorial. Maintenance issues to be addressed promptly. Budget or Reserve set annually to address non-urgent maintenance requirements. Insure against risks and review annually.
	Risk or damage to third party property or Individuals.	4	2	8	Medium	Review annually and have adequate insurance in place.
	Loss of equipment, stock and memorabilia due to unauthorised use or the theft/dishonesty of staff and public.	3	1	3	Low	Items are to be stored in the Cwtch room which is to be locked. Access to this room is to be limited to staff, Leader, Deputy Leader and Bedwellty House staff. Notice on door stating permission is required from Town Council staff before items can be borrowed. Logbook in office to record the removal/return of items.
	Security of buildings.	5	3	15	High	Ensure buildings/rooms are appropriately secure with CCTV fitted if possible. Restrict access to Council property to approved persons only, with prior approval for access. Adequate insurance in place to cover break in/vandalism.
	Asset Register	5	2	10	Medium	Update Asset Register annually and ensure insurance cover is adequate.
Deighton Playing Field	Inappropriate use & dog fouling. Damage caused by vandals.	5	2	10	Medium	<p>Metal fence surrounding whole area and main gates locked with keys only with TTC office and local authority for access.</p> <p>Signs in place to warn of penalties for inappropriate use and dog restrictions.</p>

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Sirhowy Community Garden	Inappropriate use & dog fouling. Damage caused by vandals.	3	1	3	Low	Metal and wooden fence surrounding area and main gates locked with keys only with TTC office and local authority for access. Signs in place to warn of penalties for inappropriate use and dog restrictions.
Grounds Contract -SLA's	Failure of contractor to meet the requirements of the contract.	3	1	4	Low	Clerk to monitor and to take up matters with the Contractor as appropriate.
Allotments	Associations fail to meet conditions of tenancy agreements.	3	1	3	Low	Annual site inspections by Clerk, Council Leader and Association representative. Any concerns are raised and corrective action agreed with the present Association representative. Tredegar Public Facilities Committee Sub-committee will discuss major Public raised issues of concern. Clerk will action warning letters in under direction of this Sub-Committee.
Condition of Trees – Deighton Playing Field & Allotments	Damage caused by falling trees and roots causing damage to neighbouring properties.	5	2	10	Medium	Public liability insurance in place. Tree inspections by qualified Tree Surgeon with recommendations carried out in accordance with the report. Public reported issues dealt with promptly.
Public Conveniences	Loss of stock due to theft/dishonesty of staff and public.	3	2	6	Medium	Maintain stock levels to minimal level, held within the Council offices until required on site. Check and replace any dispensers to prevent items being taken.
	Injury to the public	5	2	10	Medium	Operative to regularly inspect facilities and promptly repair or report any issues identified. Areas are to be cleaned and appropriate signage displayed during this time to advising members of the public. Operative to be appropriately trained to use cleaning products, health and safety requirements and clean in a manner both safe to him and the public. Public liability insurance in place.
Events	Injury to volunteers and/or attendees	5	2	10	Medium	Prepare and apply a specific risk assessment plan for each event covering matters such access, use of equipment, stewards etc. Walkaround/briefing of volunteers/Members prior to event. Public Liability Insurance in place and insurer aware of events to ensure adequacy of cover.

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Litter Picks (Including at events)	Injury to Councillors, staff and volunteers involved in litter picks	5	2	10	Medium	Public liability insurance in place. Marshall appointed to supervise volunteers. Provision of litter pickers, gloves etc. and volunteers required to wear appropriate footwear. Warnings given about picking up glass and awareness of needle stick injuries.
Christmas Decorations	Installation, removal and storage. Connection to electricity supply does not comply with appropriate standards.	5	3	15	High	Contractor engaged to carry out all necessary display requirements using the appropriate vehicles and equipment; they employ qualified electricians to connect lights/motifs to buildings and lamp posts. Installer documentation supplied to Council at start of contract to confirm Appropriately qualified to undertake to works.
Goodwill and Adverse publicity	Loss of reputation and goodwill	5	2	10	Medium	Annual Report to be published to illustrate the way in which Council meets key goals. Public attendance at meetings is encouraged and, as a result of the Covid pandemic, new arrangements have been put in place to allow public to attend remotely. Meetings are to be conducted in compliance with Standing Orders. Council to apply sound principles when dealing with representational matters such as planning and licensing. Members adhered to Code of Conduct and interests/gifts are to be declared/recorded. Town & Community councils are represented on the Standards & Ethics Committee of the local authority.
Consultation and Representation	Poor 2 way Consultation, resulting in loss of reputation, goodwill, understanding etc	5	1	5	Low	Ensure all consultations from other organisations, bodies, agencies and individuals are properly scheduled for consideration and due dates met. Ensure all consultations made by Town Council is objective and cover all affected or interested parties. Ensure Code of Conduct is strictly adhered to, taking all opportunities For training courses provided by the local authority and/or One Voice Wales.
<b>ADMINISTRATIVE</b>						
Staff	Loss of key personnel - Clerk – through ill health, retirement, long term sickness or even death.	5	3	15	High	Council to establish an emergency action plan to have in place which can be use for the short term. Access SLCC's locum service or contact neighbouring Councils to see if cover can be provided by other serving Clerks. Staffing Committee to meet to devise a longer term solution.

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Training of Councillors	Councillors do not have the necessary skills and knowledge to perform their roles.	3	3	9	Medium	Council to have an annual training budget and all Councillors be required to commit themselves to appropriate training.
Training of Clerk/ staff	Clerk and staff do not have the necessary skills and knowledge to perform their roles.	2	2	4	Low	Continue to encourage staff to attend suitable training and other learning Opportunities, support the Clerk to become CiLCA qualified.
Data Protection	Compliance with Data Protection Act 2018	5	2	10	Medium	Ensure that all aspects of compliance are completed, that Data Protection principles are observed and data retention policy is implemented.
Document security	Important Council Information held in hard copy and on computer is lost or damaged.	5	2	10	Medium	Hard copy data is to be stored and archived files in a suitable locked room at Bedwellty House with financial/personal information being in a locked cabinet and keys in a secure box. Data held on computers is to be backed up to an external storage device which is to be kept in the safe. Deposit historical records with County archives.
Financial Records	Financial Records are lost or damaged.	5	2	10	Medium	All files and ledgers are to be held in the Council Offices/Cwtch at Bedwellty House for the requirement time period. All transaction data and the spreadsheet cash book are held on the Laptop are these files are to be backed up. Financial records are audited annually, in an instance where all documents are to be given to the external auditor, then a copy must taken and retained at the Council Offices.
Minutes	Accurate and legal	5	1	5	Low	Reviewed, signed and dated at the Ordinary meeting, the following month.
Health and Safety Assessments	Activities of the Council are not risk assessed and arrangements regularly monitored.	5	2	10	Medium	Risk assessments for Council events/activities are to be prepared by the Clerk or a delegated Member and regularly monitored. Office facilities are independently assessed during the Bedwellty House inspection and issues reported back for staff/Council to address.
Disability Discrimination issues	Council's facilities are not compliant with the legislative requirements.	5	1	5	Low	Council has given attention to the needs of those with a disability such as access to the playing field and community garden and provision of disabled toilets.

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Register of Members Interest, Gifts and Hospitality	Identification of interest and recording of gifts and hospitality.	3	1	3	Low	Register of Interest file held by Council, implemented and published on the Council's website. Declaration of Office signed by all Members and held by Council. Gifts and Hospitality Policy approved by Council giving guidance to Members and Clerk available to offer advice.
Code of Conduct	Adoption of Code of Conduct	5	1	5	Low	Code of Conduct adopted by Council and implemented. Employee code of conduct not in place.
Welsh Language Act	The Council fails to comply with the Act.	2	3	6	Medium	Council has not adopted a Welsh Language Policy and there is no current requirement for Council to comply. Consideration to be given to this requirement changing in the future. Current only bilingual presence is on Council stationery.
Legal Claims	Claims are made in relation to employment matters and from members of the public about the condition of Council amenities resulting in injury.	5	3	15	High	The Council has some employment policies in place but needs to review and increase as appropriate. Council make themselves open to discussions with staff and/or union representatives to resolves any issues in a prompt and professional matter. Public liability and legal expenses insurance is in place.

Dated : 20<sup>th</sup> March 2024 (To be reviewed annually).