

**CYNGOR CYMUNED
MANORDEIFI
COMMUNITY COUNCIL**

RISK MANAGEMENT POLICY AND SCHEDULE

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V1(draft)	28.2.24	Creation of policy	JK (Clerk)
V1	12.3.24 8b	Policy approved by council	

RISK MANAGEMENT POLICY

Policy Statement

Manordeifi Community Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential injury, damage or losses.

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.

Risk Management

Risk management is the process where local councils methodically address the risks associated with what they do and the services that they provide. The focus of good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences.

Risk management process:

1. Identify the risk

Members of the public, councillors and the clerk can all identify and report risks. The clerk will be responsible for recording these risks on the risk management schedule and/or completing a specific risk assessment form.

2. Evaluate the risk

The following matrix will be used to rate the severity of the risk

Potential consequence score 1-5

Likelihood of occurrence score 1-5

Severity level score = consequence x likelihood

Risk level: Low – score of 1-5
 Medium – score of 6-10
 High – score of 11-15
 Very high - score of 16-25

3. Control the risk

There are four main control options.

Terminate the risk: decide to terminate the activity

Transfer the risk: the risk is passed on (e.g. to an insurer)

Treat the risk: put in place controls to reduce the consequence or likelihood

Tolerate the risk: accept the risk but continue to monitor and evaluate

The clerk/RFO, with approval from the council, will put in place any measures to mitigate the risks, including insurances, financial procedures and administrative controls.

Specific risk assessments

Specific ad hoc activities undertaken by the council which do not form part of the risk assessment schedule (e.g. work undertaken in the Millennium Garden) will be subject to specific risk assessment on the council's risk assessment form. This form can be completed by the clerk or the activity leader.

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RISK ASSESSMENT SCHEDULE

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Community Council to identify any and all potential inherent risks. The Community Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible.

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

RISK	CONSEQUENCE	LIKELIHOOD	SEVERITY	RISK LEVEL	MANAGEMENT/CONTROL OF RISK
PRECEPT					
Inadequacy of amount	5	1	5	Low	Budget prepared annually by RFO to assess level of precept required. Budget & precept agreed by council at November meeting. Regular monitoring of expenditure against budget.
Request not submitted	5	1	5	Low	Council to be informed by clerk/RFO when precept submitted and confirmation received. Letters to be kept on file.
Not received from County	5	1	5	Low	Dates of payments are provided in advance by the County Council. Council to be informed by clerk/RFO if precept has not been received on the due date. All letters kept on file.
RESERVES					
Inadequacy of general reserves leading to inability to cover unexpected costs	4	1	4	Low	Maintain at least £1000 general reserves. Adequacy to be monitored annually by clerk. Reserves policy to be written.
Inadequacy of earmarked reserves to meet planned costs	4	1	4	Low	Earmarked reserves for election costs can be built up over 5 years. Will only be used for contested elections.
FINANCIAL RISKS					
Inadequate recording of receipts and payments	5	1	5	Low	Clerk/RFO to record transactions as soon as possible. Copy of the cash book to be presented at each Council Meeting. Transactions to be checked against bank statements. Audit working group to undertake quarterly check.

Loss of computer data	5	1	5	Low	All files are backed up to Microsoft One Drive. Regular print-outs provide means of manual re-instatement of records.
Fraudulent activity/financial losses	5	1	5	Low	Monthly bank statements shared with all Councillors. Quarterly bank reconciliation presented to Council Meeting. Two signatories required for each cheque or bank transfer. All payments agreed at Council meetings on presentation of invoices or receipts. Audit working group check financial transactions quarterly and sign them off. Fidelity insurance is in place.
Overspending on the budget	5	1	5	Low	Quarterly budget monitoring by RFO presented to council and scrutinised by the audit working group. Virement of funds from underspent budgets or reserves to be agreed by council. Financial information regarding available balance provided at each meeting.
Non-compliance with Customs & Excise Regulations (VAT)	5	1	5	Low	The council has no business activities so does not need to register to pay VAT. VAT paid on expenditure is separated out in the cash book. Clerk/RFO to prepare refund claims when required.
Loss of cash	N/A				No cash is held by the council.
Non-compliance with statutory deadlines for accounting/returns	5	2	10	Med	Ensure internal auditor is in place by end of March and internal audit completed by end of April. Clerk/RFO to complete the Annual Return by the May Annual Meeting or June meeting at the latest. AGAR to be returned to Audit Wales by 30 th June.
Non-compliance with proper financial practices	5	2	10	Med	Council to appoint an Internal Auditor to ensure adequate controls are in place. Council to follow any recommendations from the Internal Auditor and/or the Auditor General. Clerk to follow the guidelines contained in 'Governance and Accountability for Local Councils in Wales – A Practitioners Guide'.
Overspending on the S137 limit	5	1	5	Low	S137 spending listed separately in the cash book.
Not achieving value for money with contracts/services	4	1	4	Low	Financial regulations to be followed when awarding contracts. If possible, obtain 2-3 quotes/estimates for services for discussion at a Council Meeting.

STAFFING					
Incorrect salary paid	4	1	4	Low	Salary is set at a scale point, agreed annually by council. Updates to the hourly rate are provided to the council by the clerk when produced by NALC. Clerk informs the payroll company of the monthly salary to be paid. Monthly standing order is agreed by council.
Incorrect PAYE tax records	5	1	5	Low	Payroll outsourced to ensure correct information is delivered to HMRC. Clerk informs the payroll company of the tax code to be used as provided by HMRC.
Loss of clerk through illness/retirement	5	2	10	Med	Council to nominate one of its members to cover the essential duties on a non-remunerated basis. Consider employing a locum, or contact neighbouring councils to see if cover can be provided by other serving clerks.
ASSETS					
Damage to or loss of assets owned by the Council	4	1	4	Low	Insurance in place to cover loss/damage. Insurance is reviewed annually.
ADMINISTRATION					
Acting without legal power	5	1	5	Low	Power to act is recorded on invoices and in the cash book. Powers to be recorded in the minutes also.
Inaccurate minutes	4	1	4	Low	Minutes are approved by full council and signed by the chair.
Inadequate protection of data	5	2	10	Med	Data protection policy in place. Data breach procedures in place. Data retention policy in place and data removed when no longer needed.
COUNCILLORS					
Allowances not paid according to IRPW scheme	4	1	4	Low	Clerk/RFO to ensure that all claims are submitted on the appropriate forms, which also allows councillors to opt out of payments. Expenses to be paid on production of receipts.
Councillors not declaring interests	4	3	12	High	All councillors expected to attend Code of Conduct training. Agenda item asking for declarations of interest to remind councillors of their duty.

					Declaration forms available for councillors to fill in at meetings. Declarations published on website.
GENERAL LIABILITIES					
Claims against the council	5	2	10	Med	Public liability and official's indemnity insurance is in place. Insurance is reviewed annually.
Health & Safety matters not addressed through risk assessments	5	2	10	Med	Health & Safety policy needs to be written. Risk assessments must be carried out for any work undertaken on council property or undertaken by the council.

Items in bold in the management/control of risk column highlight actions to be taken by the clerk.

Should problems be identified by the Council or Proper Officer at any time, this risk assessment should be amended accordingly. The assessment is not exhaustive and the Council may wish to consider other risks not identified.