

# Lowestoft Town Council

## RISK ASSESSMENT AND MANAGEMENT POLICY

Adopted: May 2017

Review Date: May 2018

*To involve members and officers in the ownership and accountability for corporate success and appropriate management of the associated risks.*

### **Definition of Risk**

An uncertainty of outcome of actions or events which impacts upon Lowestoft Town Council achieving its objectives.

### **Policy**

1. Lowestoft Town Council is committed to good risk management, allowing it to:

- a) Have increased confidence in achieving its objectives;
- b) Constrain threats to levels it considers reasonably acceptable;
- c) Take informed decisions about exploiting opportunities; and
- d) Assist the Clerk in completing the annual governance statement.

2. The Council recognises that to achieve its objectives it must manage risk within its assessment of reasonable levels. Where risks lie beyond the risk appetite of the Council, members and officers will take appropriate action to reduce those risks. A schedule of corporate risks will be maintained in a corporate risk assessment for review and approval by members. The approach to assessing risk will be consistent and will include the risk in terms of impact and likelihood.

3. In addition to corporate risk, members and officers have a responsibility to assess and appropriately manage risk as part of the evaluation of project proposals, business cases and grant applications. Officers will include the detailed outcome of project and business case risk assessment in any Council agenda item that considers major financial investment. Responsibility for assessing and managing Health and Safety risks associated with Council activity and events will be managed by the Clerk with methods of safe working communicated to and adhered by members, officers and contractors.

4. Officers are responsible for assessing and managing risk as an integral part of their day-to-day role in ensuring the Council's objectives are met, recognising that all risk categories must be considered, including reputation, health and safety and financial risk. Where risks are identified which have the potential to impact upon the Council's objectives, these will be referred to the Clerk for consideration for inclusion in the corporate risk assessment.
5. Members are required to at least annually review this risk assessment policy and the corporate risk assessment. This will include ensuring that there is:
  - a) A review of the risk assessment criteria, risk appetite and approaches to managing risk;
  - b) An identification and updating of the schedule of risks;
  - c) An evaluation of the likelihood and potential impact to the Council of each risk materialising;
  - d) A decision on measures to avoid, reduce or control each risk, as appropriate; and
  - e) A record made of the decisions reached.

#### **Organisational Arrangements**

6. The Clerk will ensure that all officers are aware of their responsibility in managing and reporting risk. Each officer shall make appropriate arrangements to ensure risk is continually assessed in relation to their area of responsibility.
7. The Clerk will initially review the corporate risk assessment at least annually in advance of it being submitted to the Council for review and ultimate approval.
8. The Council will arrange for the approval of the risk assessment policy and corporate risk assessment on at least an annual basis.

**Lowestoft Council**  
**Risk assessment rating criteria**

<b>LIKELIHOOD</b>	Highly probable 76-99%	<b>4</b>				
	Probable 51-75%	<b>3</b>				
	Possible 26-50%	<b>2</b>				
	Unlikely 1-25%	<b>1</b>				
			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
			Minor	Moderate	Serious	Major
			<b>IMPACT</b>			
<b>FINANCIAL IMPACT</b>			Loss of up to £1000	Loss of up to £10,000	Loss of up to £50,000	Loss of over £50,000
<b>and/or REPUTATIONAL IMPACT</b>			Minimal / localised damage to reputation	Moderate and/or medium term damage to reputation.	Serious damage to reputation within the area and potentially beyond.	National and/or long- standing damage to reputation; intervention by Government
<b>and/or HEALTH &amp; SAFETY IMPACT</b>			No health and safety impact	Minor injury, possibly requiring treatment by health care professional	Serious injuries	Fatality or life-changing injuries

**Lowestoft Council**  
**Risk appetite and approaches to managing risk**

<b>LIKELIHOOD</b>	Highly probable 76-99%	4		<b>TREAT (take action to reduce risk exposure by introducing measures / controls)</b>		<b>TERMINATE (ie stop the activity that generates the risk)</b>
	Probable 51-75%	3				
	Possible 26-50%	2				
	Unlikely 1-25%	1	<b>TOLERATE (an informed view reached that the risk is accepted)</b>			<b>TRANSFER (usually via insurance or other contractual arrangement)</b>
			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
			Minor	Moderate	Serious	Major
<b>IMPACT</b>						

Risks rated as **GREEN** are reasonably acceptable to the Council. It is unlikely that further additional measures are required to control these risks. However, the risk level will remain monitored as part of the risk management.

Risks rated as **AMBER** are reasonably acceptable to the Council. However further additional measures may be needed to **treat** (i.e. control) the risks and so reduce exposure OR to consider risk **transfer** e.g. via insurance or a contractual arrangement. The Council must be periodically advised of amber risks and the action planned and/or taken to control them.

Risks rated as **RED** are not acceptable to the Council. Immediate action is required to bring the risk down to a lower category of risk or, if this is not possible or desired, to **terminate** the activity that creates the risk. The Council must be immediately advised of red risks and regularly updated on the action planned and taken to control them until they are within the spectrum of reasonably acceptable risk for the Council. *Any action taken must be in accordance with the Council's Standing Orders and Financial Regulations.*

Lowestoft Town Council  
CORPORATE RISK ASSESSMENT

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>FINANCIAL</b>							
Precept inadequate	2	1		First year precept calculated prior to the Reorganisation Order and budget created for Lowestoft Town Council by Waveney District Council.	Elected members to develop aims and objectives of Lowestoft Town Council through community engagement and preparation of a business/action plan. Budget items to be monitored during the first year and precept reviewed during budget preparation for 2018/19	By Autumn 2017	RFO
Incomplete or inaccurate financial records	2	1		Lowestoft Town Council to comply with Governance and Accountability for Smaller Authorities in England – A Practitioners’ Guide and Proper Practices to be applied in the preparation of statutory annual accounts and governance statements. Financial Regulations to be approved. Financial systems to be determined. Cashbook and systems to be set up with a recommendation from the RFO on a reputable and reliable financial software system.	Internal control policy to be drafted and approved by Council. Clerk and RFO to have relevant qualifications and experience to fulfil role Expenditure scrutinised by Council	Summer 2017	TC
Breach of Financial Regulations	2	1		Members and officers are required to comply with Financial Regulations.	Regular financial monitoring	Monthly	RFO

Council overspend	2	1		Areas of spend closely monitored by RFO and Council Regular reporting to Council.	Details of committed spend provided to members to inform decision making through the year and at budget planning stage. Reserves policy to be drafted.	Monthly  Nov-17	RFO
Failure to comply with ownership responsibilities and law regarding assets	2	1		Assets transferred under Reorganisation Order. Assets to be maintained under existing contracts with Waveney Norse and Sentinel. Other assets remain under the care of Waveney District Council.	All management contracts to be reviewed for transfer to Lowestoft Town Council and agreement to be made in relation to any future arrangement with Waveney District Council.	Summer 2017	TC
Damage to or loss or theft of assets	1	1		Assets to be kept secure.	Asset register and contract management details to be adopted by council. Draft asset register and asset policy to be presented for approval to Council as and when new assets acquired. Contract and other asset management arrangements to be reviewed. Bank accounts to be approved. Insurance to be reviewed. Initially May and thereafter at the intervals needed and agreed by the Council.	May 2017  By Feb 2018  May/June 2017  May 2017	TC  TC  TC  TC
Grant funding / joint project funding not used appropriately	2	2			Introduce a system of checks to ensure partners and projects meet Lowestoft Town Council objectives.	Autumn 2017	TC
Incorrect VAT claim and VAT non-compliance	2	1		RFO scrutinises all invoices received to assess. VAT registration has taken place, subject to verification of Clerk's identity.	Officers to be trained in procedures for VAT.	Mar 2018	RFO
Insurance inadequate for purposes	2	1		Waveney District Council providing some initial cover to ensure insurance cover in place for	Annual reviews take place with insurers to ensure cover is adequate	May 2017	RFO

			assets. Mandatory insurances in place for Lowestoft Town Council and need approval in May and at the intervals required to ensure that there is appropriate insurance in all areas going forward as determined by the Council at its May meeting.	and not excessive.		
Banking errors and charges arising	2	1	Bank reconciliations undertaken monthly.	Bank account opened with a reputable organisation	May 2017	RFO
Loss of interest	2	1	Current account established. Savings accounts being progressed.	Savings account being established with the Government Debt Management Office and Council to approve investment policy and longer-term savings arrangements	May 2017	TC
Loss or theft of cash	1	2	Fidelity insurance in place.	Cash holdings are to be minimal	May 2017	RFO

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>GOVERNANCE</b>							
Breach of Standing Orders	1	1		Standing Orders drafted. Induction and training arranged and advised to members.	All members and officers to be aware of and adhere to agreed Standing Orders. Induction and training to take place,	May 2017 May/Jun 2017	TC
Spend and activity in areas in which the Council has no power (ie Council behaves <i>ultra vires</i> )	2	1		Access to Suffolk Association of Local Council resources to provide guidance on legal issues. Appropriate interim arrangements established to provide the Council with sound Clerk and RFO support.	To recruit a permanent Clerk and RFO with a good knowledge (and relevant qualification or ability and requirement to obtain qualification) of the scope of the Council's legal powers. Members to receive training	Autumn 2017  May 2017	TC
Insufficient capacity of members and staff to deliver upon Council objectives.	2	1		Support from Waveney District Council and through Suffolk Association of Local Councils	Members to monitor achievement of Council work plan regularly and recommend change as required. Commitments are not accepted without clear identification of legal power, resources required and funding allocation.	March 2018	TC
Members fail to behave in accordance with the member code of conduct	2	1		Code of Conduct policy adopted by Council. All members to sign declaration of acceptance of office. Complaints procedure in place. Monitoring Officer role in place (via Waveney District Council)	New members to attend induction and training including on the member Code of Conduct and Nolan principles of public office.	May/Jun 2017	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Conflict of interest not declared or dealt with appropriately	1	1		A member-officer protocol being developed. Monitoring Officer maintains register of interests which is published on the internet. Staff conflicts of interest referred to TC.	New members to attend induction and training including on the member Code of Conduct and Nolan principles of public office.	May/Jun 2017	TC
Failure to identify opportunities presented by 'General Power of Competence' and Localism Act	2	1		Advice available from Suffolk Association of Local Councils	Council to identify opportunities as part of its analysis of the business to be conducted and its preparation for its budget, in conjunction with community consultation.	Autumn 2017	TC
Referendum or by-election required	1	1			Provision to be created for the cost of a by-election or referendum.	Mar 2018	RFO
Libel or slander claims received	2	1		Insurance in place.	No less than annual review	April 2017	TC
Poor relationships with local Government partners	2	1		Ongoing work to ensure that there is ongoing liaison to maximise opportunities and influence. Particular work taking place to ensure productive handover from Waveney District Council of relevant assets and also to support implementation on an ongoing basis and influence over matters such as development control.	New members to be trained in different roles and responsibilities of a local council and a principal authority. Full council agendas to be sent to district and county councillors with an opportunity to speak in the public participation session, subsequent to the first meeting.	May 2017	TC
Council meetings not quorate or not minuted correctly.	2	1		Attendance recorded as part of minute taking to evidence a quorum. Minutes and agenda published as per legal requirements. Minutes approved by the Council as a true and accurate record.	House style to be developed for minutes and agenda	Summer 2017	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>STAFFING</b>							
Inadequate capacity to fulfil the Council's objectives	2	1		Officer support to be provided by Waveney District Council prior to 1 April and interim arrangements in place for the Council from 1 April and prior to Council recruitment	Recruitment to take place after identification of aims and objectives for Lowestoft Town Council. Consider use of professional HR consultancy service/Waveney District Council HR for recruitment. Job description and terms of employment for officers required to be agreed. Ensure staff capacity exists to deal with current and future workload.	Autumn 2017  Autumn 2017 Autumn 2017  Autumn 2017	TC  TC TC  TC
Inadequate training	2	1		Induction and initial training in place. Training policy and record sheets established.	All officers to receive sufficient professional and on-the-job training to ensure they can fulfil their roles. Officer appraisal to take place on regular basis Member training to take place as needed to take account of any specialist committee roles and new developments.	Autumn 2017	TC
Payroll inaccurate	2	1		Payroll not needed currently under interim arrangements.	Consider use of outsourced payroll provider. Register for payroll with HMRC.	Autumn 2017	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>HEALTH &amp; SAFETY</b>							
Member of public, staff or members injured at Lowestoft Town Council premises or event	2	1		Health and Safety Policy in place Public & employers liability insurance in place. Contractors required to state liability insurance status prior to securing work with Lowestoft Town Council.	All members and staff made aware of their Health & Safety responsibilities.	May 2017	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>INFORMATION ASSETS</b>							
Excessive Freedom of Information requests	2	2		ICO registration in place as data controllers, subject to payment by the Council. Publication Scheme in place Minutes and spend over £500 to be published the Lowestoft Town Council website. Public and press welcome to attend council meetings.			TC
Loss of data	2	1		Waveney District Council systems securely backed up. Suffolk Association of Local Councils systems securely backed up.	Suitable hardware, software and back-up facilities to be recommended by Clerk for Lowestoft Town Council to secure longer term data control in transfer from any data held by Waveney District Council and Suffolk Association of Local Councils. Strictly control 'edit' rights to Lowestoft Town Council website and domains.	May/Jun 2017  May/Jun 2017	TC
Corporate memory loss arising from staff or member loss of office / resignation	2	1		Documents to be available on Lowestoft Town Council website where appropriate. Passwords to be protected as per Financial Regulations. Delegated decisions to be recorded as required in law.	Develop and apply procedure for dealing with future staff leavers (to include documenting knowledge). Member knowledge to be documented within the Council data storage	May 2017	TC
Breach of data protection /	2	1		Network password protected for Waveney	Officer training in information	Autumn	TC

information security			<p>District Council and Suffolk Association of Local Councils.</p> <p>Breaches of data protection required to be reported to council.</p> <p>Council registered as a data controller with ICO, subject to payment by the Council.</p>	<p>security and principles of data protection.</p> <p>Contractual clause for officers and consultants to maintain confidentiality.</p>	2017	
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	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>REPUTATION</b>							
Adverse press coverage	2	2		Public and press welcome to attend/film Council meetings. Only the Clerk and Chairman may respond to media enquiries on behalf of the Council. TC media training to be incorporated	Proactively use the press to promote the work of Lowestoft Town Council	May 2017	TC
Lack of community engagement and recognition	2	2		All Lowestoft Town Council activity is for the benefit of the people of its area.	Promote and apply community engagement and develop appropriate strategy	Summer 2017	TC
Government no longer values the work of local councils and introduces restrictions.	1	1		Lowestoft Town Council to engage with Suffolk Association of Local Councils which promotes the work of local councils with government. Government minister holds regular talks with the National ALC Chairman.	Respond to Government consultations, including through liaison with Suffolk Association of Local Councils and noting its information service for councils. In particular to respond when notified of any precept referendum consultation or similar. Develop community engagement strategy and promote good news stories.	As and when Mar 2018	TC TC
Undue negative influence of political parties on council policy	2	2		Election nominations open and promoted to all residents/workers who meet the qualification criteria	Promote unencumbered outcome focused council working for the benefit of the community. Review political composition of the council.	May 2017 May 2017	TC TC