



## Lowestoft Town Council

### Risk Assessment and Management Policy

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

#### **1.0 Definition of Risk**

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

#### **2.0 Policy**

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5. 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.



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### Organisational Arrangements

- 2.6. 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.
- 2.7. 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.
- 2.8. The Council will arrange for the approval of the risk assessment policy and corporate risk assessment on at least an annual basis.

### 3.0 Lowestoft Town 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



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### 4.0 Lowestoft Town Council Risk Appetite and Approaches to Managing Risk

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

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.*



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### 5.0 Lowestoft Town Council Corporate Risk Assessment

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>FINANCIAL – and see separate risk assessment and management (financial) for</b>							
Precept inadequate	2	1		First year precept calculated prior to the Reorganisation Order and budget created for Lowestoft Town Council (LTC) by Waveney District Council. Subsequently, LTC has set its own precept based on the information available and on its own endeavours to diligently assess the resource needed to run its services and functions.	The budget will be closely monitored and specifically the asset repair and development work which will be subject to loan applications will carefully work through project plans for each asset as part of the preparation. Budget items monitored on an ongoing basis, including measures to enhance the assessment of asset-risks ahead of a full review during budget preparation for 2020-19.	By Autumn 2018 and then 2019	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 set up using a reputable and reliable financial software system.	Internal control policy to be drafted and approved by Council. Clerk and RFO continue to have relevant qualifications and experience to fulfil role. Expenditure scrutinised by Council	Ongoing	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 in place.	Monthly	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.	All management contracts and transition arrangements subject to ongoing review.	Ongoing	TC



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Damage to or loss or theft of assets	1	1		Assets to be kept secure.	Asset register and contract management details maintained by Council. 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 when changes proposed. Insurance to be reviewed as needed and formally on an annual basis.	Ongoing	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.	As needed	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. Advice being sought from a specialist advisor as needed.	As needed	RFO
Insurance inadequate for purposes	2	1		Mandatory insurances in place and under review annually and at the intervals as required to ensure that there is appropriate insurance in all areas going forward.	Annual reviews take place with insurers to ensure cover is adequate and not excessive.	March 2018 and May 2019	RFO
Banking errors and charges arising	2	1		Bank reconciliations undertaken monthly.	Bank account opened with a reputable organisation.	Monthly	RFO
Loss of interest	2	1		Current account established. Savings arrangements progressed.	Savings account established with the Government Debt Management Office for a four months period and revised arrangements to be progressed for 19-20. Investment policy reviewed and under annual review.	May 2018 Next review May 2019	TC
Loss or theft of cash	1	2		Fidelity insurance in place.	Cash holdings as permitted by the Petty Cash Policy only	May 2018 Next review May 2019	RFO

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<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 in place.	May 2017 and as required through 2018-19.	TC
Spend and activity in areas in which the Council has no power (ie Council behaves <i>ultra vires</i> )	2	1		Access to legal advice through Nicholsons. Appropriate training made available for councillors and provided for staff and particularly for the Clerk and RFO. Other specialist advisors and subscriptions provide support.	To maintain 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. Training to be made available for members.	Ongoing.	TC
Insufficient capacity of members and staff to deliver upon Council objectives.	2	1		Staffing and infrastructure arrangements reviewed throughout 18-19, especially given the office move.	Members to monitor achievement of Council regularly and recommend change as required. Commitments are not accepted without clear identification of legal power, resources required and funding allocation.	Ongoing	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.	After every election and as required	TC

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Conflict of interest not declared or dealt with appropriately	1	1		A member-officer protocol has been adopted. 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.	After every election and as required	TC
Failure to identify opportunities presented by 'General Power of Competence' and Localism Act	2	1		Advice available from Nicholsons. Clerk and Deputy trained.	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.	Ongoing	TC
Referendum or by-election required	1	1			Provision to be created for the cost of a by-election or referendum.	Autumn 2018	RFO
Libel or slander claims received	2	1		Insurance in place.	No less than annual review of insurance	March 2018 and May 2018 and 2019	TC
Poor relationships with local Government and public service partners	2	1		Ongoing work to ensure that there is ongoing liaison to maximise opportunities and influence. Particular work taking place to minimise the harm created by the 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.	May 2017 and after every election as required	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 developed for minutes and agenda	Ongoing	TC

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<b>STAFFING</b>							
Inadequate capacity to fulfil the Council's objectives	2	1		Arrangements for staffing established. Annual appraisals and annual personnel committee arrangements in place for the period preceding the budget discussions.	Appraisals and assessment of ongoing needs of the Council. Ensure staff capacity exists to deal with current and future workload.	Autumn 2018	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.	Ongoing	TC
Payroll inaccurate	2	1		Payroll not needed currently under interim arrangements.	Using outsourced payroll provider and councillor checks in place.	Ongoing	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



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<b>INFORMATION ASSETS</b>							
Excessive Freedom of Information requests	2	2		ICO registration in place as data controllers (Council and councillors), subject to payment by the Council. Publication Scheme in place. Minutes and spend over £500 published on the Lowestoft Town Council website. Public and press welcome to attend council meetings.	Policies in place,	Ongoing	TC
Loss of data	2	1		Back up system in place through ECCH (landlord) plus all contractors dealing with relevant data have secure and backed up systems.	Back up and security arrangements maintained.	Ongoing	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	Ongoing	TC
Breach of data protection / information security	2	1		Network password protected for Waveney District Council and Suffolk Association of Local Councils. Breaches of data protection required to be reported to council. Council registered as a data controller with ICO, subject to payment by the Council.	Officer training in information security and principles of data protection. Contractual clause for officers and consultants to maintain confidentiality. Policy developed.	Ongoing. Policy reviewed May 2018 and 19	TC



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<b>REPUTATION</b>							
Adverse press coverage	2	2		Public and press welcome to attend/film Council meetings. Only the Clerk and Chair 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	Ongoing	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 strategy including use of surveys and neighbourhood plan processes.	Ongoing	TC
Government no longer values the work of local councils and introduces restrictions.	1	1		Lowestoft Town Council to engage with MP and decision-makers and influencers where appropriate.	Respond to Government consultations. Develop community engagement strategy and promote good news stories.	Ongoing	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. Training sessions held for potential new candidates.	Ongoing	TC