



Lowestoft Town Council

Risk Assessment and Management Policy

1.0 Purpose

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

2.0

Definition of Risk

2.1 An uncertainty of outcome of actions or events which impacts upon Lowestoft Town Council achieving its objectives or which might create legal, regulatory, financial or reputational exposure for the Town Council

3.0 Policy

3.1. 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
- e) Identify, monitor, and manage any exposure to legal, regulatory, financial or reputational risk

3.2. 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.

3.3. 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 including where the Town Council is working in partnership with external agencies. 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, events, serious and emergency situations will be managed by the Clerk with expert advice from the Town Council's appointed Health and Safety Consultant. Methods of safe working will be communicated to and adhered by members, officers and contractors.

3.4. 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.

3.5. Members are required to at least annually review this risk assessment policy and the corporate risk assessment. This will include ensuring that there is:



Lowestoft Town Council Risk Assessment and Management Policy

- 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

- 3.6. 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.
- 3.7. 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.
- 3.8. The Council will arrange for the approval of the risk assessment policy and corporate risk assessment on at least an annual basis.

4.0 Lowestoft Town Council Risk Assessment Rating Criteria

V L E R	76-99%	4				
	51-75%	3				



Lowestoft Town Council Risk Assessment and Management Policy

	26-50%	2				
	1-25%	1				
			1	2	3	4
			Minor	Moderate	Serious	Major
			IMPACT			
			Loss of up to £1000	Loss of up to £10,000	Loss of up to £50,000	Loss of over £50,000
			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
			No health and safety impact	Minor injury, possibly requiring treatment by health care professional	Serious injuries	Fatality or life-changing injuries
			<i>No legal/regulatory exposure</i>	<i>Moderate findings against the Council/moderate impact on the public/services/assets</i>	<i>Serious findings against the Council/serious impact on the public/services/assets</i>	<i>Major findings against the Council/major impact on the public/services/assets</i>
			FINANCIAL IMPACT			
			and/or REPUTATIONAL IMPACT			
			and/or HEALTH & SAFETY IMPACT			
			LEGAL/REGULATORY EXPOSURE IMPACT			



Lowestoft Town Council Risk Assessment and Management Policy

5.0 Lowestoft Town Council Risk Appetite and Approaches to Managing Risk

LIKELIHOOD	76-99%	4		TREAT (take action to reduce risk exposure by introducing measures / controls)		TERMINATE (ie stop the activity that generates the risk)
	51-75%	3				
	26-50%	2				
	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.*



Lowestoft Town Council Risk Assessment and Management Policy

6.0 Lowestoft Town Council Annual Corporate Risk Assessment (2022)

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<i>FINANCIAL – and see separate risk assessment and management (financial) for</i>							
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. Budgets and precepts set in the respective Januarys preceding the relevant financial year.	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. Budget preparation is from October to January preceding the financial year in question.	Precept submitted January	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 controller checklist approved annually by Council. Clerk and RFO continue to have relevant qualifications and experience to fulfil role. Financial Assistant supports. 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.	Monthly	RFO



Lowestoft Town Council Risk Assessment and Management Policy

					Reserves policy in place and reviewed annually.		
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 East Suffolk Norse.	All management contracts and transition arrangements subject to ongoing review.	Ongoing	TC
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. Making Tax Digital rules complied with including software upgrades.	Officers trained in procedures for VAT. Advice 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. Additional items and cover extensions made as needed.	Annual reviews take place with insurers to ensure cover is adequate and not excessive. Procurement for next 3 years underway	Review in last quarter and in May	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.. Investment policy reviewed annually.	Annually in May policy review	TC
Loss or theft of cash	1	2		Fidelity insurance in place. Level increased as needed to reflect changes in Council funds.	Cash holdings as permitted by the Petty Cash Policy only	Annually in May	RFO



Lowestoft Town Council Risk Assessment and Management Policy

							policy review	
--	--	--	--	--	--	--	---------------	--

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
GOVERNANCE							
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.	As required	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 the Council's solicitors. 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 (all made under General Power of Competence), 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 East Suffolk 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



Lowestoft Town Council Risk Assessment and Management Policy

	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 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. Protocol and Code reviewed annually in May	TC
Failure to identify opportunities presented by 'General Power of Competence' and Localism Act	2	1		Advice available from the Council's solicitors. 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. Budgeted annually from autumn onwards in the year preceding the relevant year.	Autumn of the relevant year	RFO
Libel or slander claims received	2	1		Insurance in place.	No less than annual review of insurance	Last quarter of the preceding year and May annually	TC
Poor relationships with local	2	1		Ongoing work to ensure that there is ongoing	New members to be trained in different roles	After	TC



Lowestoft Town Council Risk Assessment and Management Policy

Government and public service partners				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.	and responsibilities of a local council and a principal authority.	every election as required	
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



Lowestoft Town Council Risk Assessment and Management Policy

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
STAFFING							
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. Additional staff secured as needed.	2021-22 recruitment	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		Using outsourced payroll provider and councillor checks in place.	Payroll arrangements under review.	Ongoing	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
HEALTH & SAFETY & EMERGENCIES							
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	All members and staff made aware of their Health & Safety responsibilities.	Annually in May policy	TC



Lowestoft Town Council Risk Assessment and Management Policy

				status prior to securing work with Lowestoft Town Council.		reviewed	
Emergency situations causing unforeseen health, safety, financial and other concerns	2	1		Risk assessments made as needed. Events and Communications Officer appointed to assist with emergency planning and business continuity plans.	Changes to practices made in line with the law and practical implications.	As needed	TC



Lowestoft Town Council Risk Assessment and Management Policy

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
INFORMATION ASSETS							
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		Backup 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. Events and Communications Officer appointed.	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. 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 annually in May	TC



Lowestoft Town Council Risk Assessment and Management Policy

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
REPUTATION							
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

TC = Town Clerk RFO = Responsible Financial Officer

Revisions	
Date	Amendment
January 2021	Added 'serious and emergency situations' to 2.3.



Lowestoft Town Council Risk Assessment and Management Policy

January 2021	First row of Corporate Risk Assessment added: 'Budgets and precepts set in the respective Januarys preceding the relevant financial year.' and 'Budget preparation is from October to January preceding the financial year in question'.
January 2021	In the Corporate Risk Assessment removed references to specific years throughout the 'Timeframe' column.
January 2021	In the Corporate Risk Assessment under 'Incomplete or Inaccurate Financial Records' added: Internal Controller checklist approved annually (rather than 'internal control policy to be draft and checked annually'). Also added 'Financial Assistant supports'.
January 2021	In the Corporate Risk Assessment, under 'Council overspend' added: 'and reviewed annually' after 'Reserves Policy in place'.
January 2021	In the Corporate Risk Assessment, under 'Incorrect VAT claim and VAT non-compliance', added: 'Making Tax Digital rules complied with including software upgrades', removed 'subject to verification of Clerk's identity'. Also wording changed to clarify that some staff have received training for VAT procedures and advice has been sought from a specialist advisor.
January 2021	In the Corporate Risk Assessment, under 'Insurance inadequate for purposes', added: 'Additional items and cover extensions made as needed' and 'procurement for next three years underway'.
January 2021	In the Corporate Risk Assessment, under 'Loss



Lowestoft Town Council Risk Assessment and Management Policy

	of interest', removed: (after 'savings account established') 'with the Government Debt Management Office for a four month period and revised arrangements to be progressed for 19-20').
January 2021	In the Corporate Risk Assessment, under 'Loss or theft of cash' (after 'fidelity insurance in place'), added: 'Level increased as needed to reflect changes in Council funds.'
January 2021	In the Corporate Risk Assessment, under 'Spend and activity in areas in which the Council has no power (ie Council behaves <i>ultra vires</i>)' amendment made to reflect legal advice sought through 'the Council's solicitor' rather than name of specific firm. This amendment applies throughout, whether specific solicitor firm was previously named.
January 2021	In the Corporate Risk Assessment, under 'Insufficient capacity of members and staff to deliver upon Council objectives' clarified that commitments are all made under the General Power of Competence.
January 2021	In the Corporate Risk Assessment, under 'payroll inaccurate', replaced: 'payroll not needed currently under interim arrangements' with: 'Using outsourced payroll provider and councillor checks in place'. Also, replaced: 'using outsourced payroll provider and Councillor checks in place' with: 'Payroll arrangements under review'.
January 2021	In the Corporate Risk Assessment, amended the heading 'Health & Safety' to 'Health & Safety &



Lowestoft Town Council Risk Assessment and Management Policy

	Emergencies'
January 2021	In the Corporate Risk Assessment, added a whole line under the 'Health & Safety & Emergencies' heading, entitled 'Emergency situations causing unforeseen health, safety, financial and other concerns'.
January 2021	In the Corporate Risk Assessment, under 'Corporate memory loss arising from staff or member loss of office / resignation' added: 'Events and Communications Officer appointed'.
January 2021	In the Corporate Risk Assessment, under 'Breach of data protection / information security' removed: 'for Waveney District Council and Suffolk Association of Local Councils' (after 'network password protected').
March 2022	1.0 added. 'or which might create legal, regulatory, financial or reputational exposure for the Town Council' added at 2.0. 3.1e added. 4.0 Legal/Regulatory exposure impact added.