

HENLEY-ON-THAMES TOWN COUNCIL



STRATEGIC RISK ASSESSMENT

Version ID	Description of change	Version sponsor	Policy Owner	Creation date	Approval date	Next review date
0.1	Initial draft	Town Clerk	FSM Committee	20/04/2020	n/a	n/a
1.0	Suggested minor amendments and inclusion of risk score breakdown	Town Clerk	FSM Committee	26/05/2020	26/05/2020	May 2021

SCOPE OF THE POLICY

- 1.1 Risk is the threat that an event or action will adversely affect an organization's ability to achieve its objectives or successfully execute its strategies.
- 1.2 Risk management is the process by which risks are identified, evaluated and controlled, and it is a key element of good governance.
- 1.3 This document sets out:
 - (a) Why risk management is carried out;
 - (b) The risks to the Council's strategic roles and functions;
 - (c) Who is responsible for managing the risks;
 - (d) What actions are needed to mitigate the risks; and
 - (e) A programme for future monitoring.

WHAT AND WHO IS COVERED BY THE POLICY

- 2.1 Whilst the majority of risk assessments that people are familiar with deal with physical risks to health and safety, this risk assessment is concerned with higher-level corporate risks, which may adversely affect the Council's ability to carry out its strategic role.
- 2.2 The risk assessment is therefore directed mainly at senior management and members of the Council, who will be responsible for assessing, mitigating, and monitoring the risks. However, managing risk is the responsibility of all staff, so all employees should be aware of this document.
- 2.3 The risk assessment is also a public document – in accordance with the principles of good governance: transparency, integrity, and accountability – to provide members of the public with assurances that the Council is taking sufficient measures to protect public money, services and amenities.

LEGAL FRAMEWORK

- 3.1 Risk management has been identified by the National Audit Office as an essential part of effective corporate government.
- 3.2 The Council has a statutory duty to put in place arrangements for managing risk, in accordance with the Accounts & Audit Regulations 2015.

POLICY STATEMENT

- 4.1 The Council recognizes that it has a responsibility to manage risk effectively in order to protect employees, assets, liabilities, and community against potential losses; to minimize uncertainty in achieving its goals and objectives; and to maximize the opportunities to achieve its vision.

- 4.2 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.
- 4.3 The objectives of the Council’s risk management strategy are to:
- (a) Integrate risk management into the culture of the council;
 - (b) Manage risk in accordance with best practice;
 - (c) Anticipate and respond to changing social, environmental and legislative requirements;
 - (d) Prevent loss, disruption, damage and injury and reduce the cost of risk, thereby maximizing resources;
 - (e) Inform policy and operational decisions by identifying risks and their likely impact; and
 - (f) Raise awareness of the need for risk management.
- 4.4 These objectives will be achieved by:
- (a) Establishing clear roles, responsibilities and reporting lines within the Council for risk management;
 - (b) Providing opportunities for shared learning on risk management across the Council;
 - (c) Providing risk management training and awareness;
 - (d) Incorporating risk management considerations into the Council’s management processes;
 - (e) Effective communication with, and the active involvement of, employees
 - (f) Monitoring arrangement on an ongoing basis.
- 4.5 The Council recognizes that it is the responsibility of all councillors and staff to have regard for the risk in carrying out their duties. If uncontrolled, risk can result in a drain on resources that could better be directed to front line service provision, and the meeting of the Council’s objectives and community needs.
- 4.6 This strategic risk assessment will be reviewed on an annual basis by the Council, incorporating any feedback from internal and external audits on areas for improvement, as well as best practice guidance from professional bodies such as the National Association of Local Councils and Society of Local Council Clerks.
- 4.7 The Council shall use the following simple risk assessment matrix to assess risk, and the risk shall be expressed as Low/Medium/High and (likelihood:impact):

LIKELIHOOD	Highly likely (3)	Medium (3)	High (6)	High (9)
	Possible (2)	Low (3)	Medium (4)	High (6)
	Unlikely (1)	Low (2)	Low (3)	Medium (4)
		Negligible (1)	Moderate (2)	Severe (3)
		IMPACT		

STRATEGIC RISK ASSESSMENT – APRIL 2020

Risk	Risk level	Controls	Actions	Responsibility
1. People				
Over-reliance on key individuals	Medium 2:2	<ul style="list-style-type: none"> • Good documentation of procedures • Simplified processes • Active team working and knowledge-sharing • High levels of staff welfare • Timely recruitment and adequate staffing • Succession planning 	<ul style="list-style-type: none"> • Review of working processes • Ensure documentation of processes • Staffing review underway 	Town Clerk
Skills and capacity do not match complexity of organization	Medium 2:2	<ul style="list-style-type: none"> • Regular appraisals and feedback • SMT trained to manage personnel • Councillor and staff training programme • Good recruitment and remuneration practices 	<ul style="list-style-type: none"> • SMT management training • Member training programme 	Town Clerk
Lack of ownership of tasks	Medium 3:1	<ul style="list-style-type: none"> • Good scheme of delegation in place • Clear working practices and lines of accountability • Regular SMT and staff meetings to clarify issues • Documented processes regularly reviewed 	<ul style="list-style-type: none"> • Staffing review underway 	Town Clerk
Acting ultra vires	Medium 2:2	<ul style="list-style-type: none"> • Maintain good Scheme of Delegation • Councillors to abide by Code of Conduct • Councillors to undertake regular training • Town Clerk to receive regular CPD 	<ul style="list-style-type: none"> • Member training programme 	Town Clerk
Libel and slander	Medium 2:2	<ul style="list-style-type: none"> • Code of conduct and qualified privilege in place • Officials' indemnity cover • Members to take advice from Town Clerk • Members to receive regular training 	<ul style="list-style-type: none"> • Member training programme 	Town Clerk
Fraud	Low	<ul style="list-style-type: none"> • Regularly review of Financial Regulations 	<ul style="list-style-type: none"> • None 	N/A

	1:2	<ul style="list-style-type: none"> • Regular internal audits • Segregation financial duties • Maintain strong financial controls 		
2. Property				
Natural event – destruction of buildings	Low 1:2	<ul style="list-style-type: none"> • Insurance cover for business interruption • Regular revaluations to reflect rebuild costs • Business continuity plans in place • Enabling of off-site working • Encourage full-repairing leases 	<ul style="list-style-type: none"> • Review business continuity planning 	Town Clerk
Misuse of Council land e.g. adverse possession / prescriptive rights	High 3:2	<ul style="list-style-type: none"> • Regular estate inspections • Zero tolerance approach to potential trespasses • Retain legal support for land disputes • Clear signage and boundary marking 	<ul style="list-style-type: none"> • None 	N/A
Security of buildings and equipment	High 3:2	<ul style="list-style-type: none"> • Fire and intruder alarms fitted where required • CCTV in operation • Extra physical security features for high risk areas • Adequate property insurance cover • Procedures for managing locking and unlocking 	<ul style="list-style-type: none"> • None 	N/A
Misuse or damage to Council property	High 3:2	<ul style="list-style-type: none"> • Equipment training for staff • Adequate signage about correct use • Adequate property insurance cover • Clear hire terms and conditions • Security deposits taken where required 	<ul style="list-style-type: none"> • None 	N/A
Inadequate upkeep of assets	Medium 1:3	<ul style="list-style-type: none"> • Maintain quinquennial building inspection plan • Maintain adequate reserves and sinking funds • Conservative maintenance budgeting 	<ul style="list-style-type: none"> • Reallocate oversight of building management 	Town Clerk
Injury caused by faulty	Medium	<ul style="list-style-type: none"> • Good health and safety records and processes 	<ul style="list-style-type: none"> • Comprehensive H&S procedures 	Town Clerk

equipment or assets	1:3	<ul style="list-style-type: none"> • System of regular maintenance inspections • Adequate PL insurance cover 		
Injury or damage caused by falling trees	Medium 1:3	<ul style="list-style-type: none"> • Maintain up-to-date tree maps and schedule • Retain professional arboricultural support • Maintain tree management plan • Undertake regular tree inspections 	<ul style="list-style-type: none"> • Create comprehensive tree schedules and maps • Create tree management plan 	Estate / Parks managers
Over reliance on contractors	Medium 2:2	<ul style="list-style-type: none"> • Carry out due diligence on all tenders • Maintain list of approved contractors • Seek references • Communicate clear, written instructions • Regular reviews of contracts 	<ul style="list-style-type: none"> • Compile list of approved contractors 	Town Clerk
3. Record management				
IT failure	Low 2:1	<ul style="list-style-type: none"> • Regular onsite and offsite data back-ups • Enabled offsite working • Maintain disaster recovery plan • Maintain software support • Effective firewall and IT security measures • Insurance cover for cyber attacks 	<ul style="list-style-type: none"> • None 	N/A
Destruction of critical records – cemetery, minutes, legal, finance	Medium 2:2	<ul style="list-style-type: none"> • All files backed up electronically • Cemetery records digitized • Legal deeds kept in fireproof cabinet • Restricted access to sensitive documents • Up to date file retention policy 	<ul style="list-style-type: none"> • Digitize cemetery records • Digitize all legal deeds • Storage of sensitive records (payroll, etc) 	Clerk and Accountant
Compliance with rules on openness, transparency, and data protection	Medium 2:2	<ul style="list-style-type: none"> • Timely and accurate recording of minutes • Accessible and comprehensive website content • Register with ICO • Adequate privacy, data protection and FOI policies 	<ul style="list-style-type: none"> • Renew ICO registration • New Council website • Review data protection, privacy and FOI policies 	Town Clerk

4. Finance and legal				
Over reliance on investment income – poor stock market	Low 1:2	<ul style="list-style-type: none"> • Effective investments policy • Retain buffer on liquid assets • Invest in commercial income streams • Retain professional investment support • Regular review of investment portfolio 	<ul style="list-style-type: none"> • Greater investment to maximize commercial income streams 	Town Clerk
Loss of cash through theft and dishonesty	Low 1:1	<ul style="list-style-type: none"> • Minimal cash handled – card payments encouraged • Segregation of financial duties 	<ul style="list-style-type: none"> • None 	N/A
Lack of general reserves	Low 1:2	<ul style="list-style-type: none"> • 3 to 5 year financial forecasting • Reduce any budget deficits • Effective contingency budgeting • Maintain effective reserves policy 	<ul style="list-style-type: none"> • 3-5 year financial forecast • Ongoing deficit reduction programme 	Accountant and Clerk
Bad debts	Low 1:1	<ul style="list-style-type: none"> • Actively chase defaults • Maintain close contact with borrowers • Early negotiation of extensions • Ensure loans are adequately assessed and secured • Require hire payments in advance 	<ul style="list-style-type: none"> • None 	N/A
Weather-dependent financial activities	Low 2:1	<ul style="list-style-type: none"> • Set realistic estimates for parking, moorings, etc 	<ul style="list-style-type: none"> • None 	N/A
Acting illegally due to ignorance of law	Low 1:2	<ul style="list-style-type: none"> • Maintain subscriptions to NALC / OALC, etc • Town Clerk to retain membership of SLCC • Regular staff and member training • Retain professional legal and HR support • Maintain up to date staff handbook 	<ul style="list-style-type: none"> • Staff and councillor training programme 	Town Clerk
Serious litigation – public, contract, employee	Medium 1:3	<ul style="list-style-type: none"> • Maintain adequate EL, PL and indemnity cover • Adherence to good health & safety practices • Adherence to good employment good practices 	<ul style="list-style-type: none"> • Comprehensive H&S procedures • Staff training programme • Lone working policy and processes 	Town Clerk Town Clerk Town Clerk

		<ul style="list-style-type: none"> • High standards of asset maintenance • Retain good legal support • Staff and councillors to undertake regular training • Good lone worker procedures 		
Members acting ultra vires	Medium 1:3	<ul style="list-style-type: none"> • Maintain good Scheme of Delegation • Councillors to abide by Code of Conduct • Councillors to undertake regular training • Town Clerk to receive regular CPD 	<ul style="list-style-type: none"> • Councillor training programme 	Town Clerk
Fraud	Low 1:2	<ul style="list-style-type: none"> • Regularly review of Financial Regulations • Regular internal audits • Segregation financial duties • Maintain strong financial controls 	<ul style="list-style-type: none"> • None 	N/A
Adhering to HMRC regulations – payroll and VAT	Low 1:1	<ul style="list-style-type: none"> • Qualified and experienced Accountant • Timetable of regular submissions • Systems of audit • Utilizing HMRC and payroll software support 	<ul style="list-style-type: none"> • None 	N/A
Reduced funding by local authorities and police of joint schemes	Medium 2:1	<ul style="list-style-type: none"> • Maintain good working relationships • Confirm budgets each autumn • Make schemes as self-supporting as possible • Maintain reserves to cover funding shortfalls 	<ul style="list-style-type: none"> • None 	N/A
5. Strategic				
Lack of long-term strategic objectives	Low 2:1	<ul style="list-style-type: none"> • Maintain an up to date corporate plan • Communicate corporate plan effectively • Ensure capacity to carry out project work 	<ul style="list-style-type: none"> • Formulate corporate plan 	Full Council and Clerk