



## Risk Assessment Policy

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### 1. Scope of Policy

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

### 2. Definition of Risk

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

### 3. Policy

3.1. The Council is committed to good risk management, allowing it to:

- a) have increased confidence in achieving its objectives;
- b) constrain threats to acceptable levels (i.e. within its risk appetite);
- c) take informed decisions about exploiting opportunities; and
- d) assist the Town Clerk in completing the annual governance statement.

3.2. The Council recognises that in order to achieve its objectives it must manage risk within its risk appetite. Where risks lie beyond the risk appetite, 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 scoring risks in terms of impact and likelihood will be defined as part of the corporate risk assessment to enable a consistent way of determining the Council's risk appetite.

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. 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 Town Clerk with methods of safe working 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 Town 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:

- a) reviewing the risk assessment rating criteria, risk appetite and approaches to managing risk;
- b) identifying and updating the schedule of risks;
- c) evaluating the likelihood and potential impact to the Council of each risk materialising;

- d) deciding upon measures to avoid, reduce or control each risk, as appropriate; and
- e) recording the decisions reached.

#### **4.Organisational Arrangements**

4.1 The Town 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.

4.2. The Town Clerk, advised by officers as required, will initially review the corporate risk assessment at least annually in advance of it being submitted to the Council for review and ultimate approval.

4.3. The Council in its Forward Work programme will make arrangements to approve the risk assessment policy and corporate risk assessment on at least an annual basis.

**Nelson 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	Damage to reputation within the town	Damage to reputation within the region.	National 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

**Nelson Town 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 within the risk appetite of the Council. It is unlikely that further additional measures are required to control these risks. These risks may be **tolerated** by the Council

Risks rated as **AMBER** are within the risk appetite of 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, franchising or other 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** go beyond the risk appetite of the Council. Immediate action is required to bring the risk within the Council's risk appetite 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 risk appetite of the Council. *Any action taken must be in accordance with the Council's Standing Orders and Financial Regulations.*

Nelson Town Council  
CORPORATE RISK ASSESSMENT, November 2018

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>FINANCIAL</b>							
Poor audit report	3	1		RFO and TC fully support External and Internal auditors in their fieldwork and reporting stages.  The reports are circulated to the Finance and General Purposes committee and Full Council. Recommendations are addressed and implemented accordingly.	None		TC RFO
Business cases neither robust nor subject to sufficient scrutiny	2	3		Reference to need for project and business case risk assessment are contained within Financial Regulations.  The risk assessment policy makes specific reference to the responsibility of members and officers in having absolute clarity of proper risk assessment when considering business cases that require major financial commitment.	Risk assessment policy to be communicated to all members and officers once adopted by Full Council	Dec-18	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Breach of Financial Regulations	3	1		Members and officers are required to comply with Financial Regulations. The Council has in place a fully qualified Town Clerk and Responsible Financial Officer. Members and Staff have been provided training around the regulations and with a procurement flowchart Members undertake own review of control environment. Auditors advise of areas of weakness.	Deliver training to newly elected members and new staff on financial processes.	Ongoing	RFO
Council overspend	2	2		Areas of spend closely monitored by RFO and Committees. Regular reporting to Council. Decisions taken when risk of overspend arises.	Details of committed spend provided to members to inform decision making through the year and at budget planning stage.	Dec-18	RFO
Adverse market conditions affect income generation resulting in a burden for the taxpayer (café and room bookings)	2	3		Catering facilities are currently open to the public. Demand for allotment facilities exceeds supply therefore risk in this area low. Income budgets for 2019/20 to be based on year to date figures.	Any transfer of catering facilities to a operator will further reduce this risk exposure.  Clarity of risk transfer defined in any contract with operator / tenant.	Ongoing  Ongoing	TC  TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Damage to or loss or theft of assets	3	2		<p>All valuable assets (except community assets) locked securely at Unity Well Being Centre or the Town Hall.</p> <p>Insurance in place for contents and some community assets.</p> <p>Allotment sites have secure boundaries as appropriate which are regularly inspected.</p> <p>Liaison with Police if necessary.</p> <p>Security arrangements reviewed at the Unity Centre. All officers and tenants have signed agreements for security fob access. CCTV is in place on site.</p>	Asset register policy to be developed and asset register to be reviewed and presented for approval to Council. Asset register to be sent to insurers for review against the insurance policy.	March-19	TC
					Building Security Policy to be drafted and approved.	Dec-18	TC
Incorrect VAT claim	2	2		<p>RFO scrutinises all invoices received to assess whether they can be validly included in the VAT claim.</p> <p>VAT is reclaimed on an annual basis.</p>	<p>Catering trading has identified a need for VAT registration. Council to be registered for VAT.</p> <p>Councillors and officers to be reminded of procedures in which a VATable supply may be (or may not be) claimed back from HMRC.</p> <p>VAT Partial Exemption Summary to be completed at year end.</p>	March-19	RFO
Grant funding / joint project funding not used appropriately	2	3		<p>System of checks undertaken to ensure capacity and capability of applicant and that the application meets NTC objectives.</p> <p>High value grants / joint funding projects subject to officer inspection.</p> <p>Condition of grant funding is that there is recognition of NTC funding.</p>	<p>Applicant to sign grant funding contract.</p> <p>Make it a condition of joint project funding that 'with the support of NTC' is referred to on asset, if possible, and included in promotional materials and press coverage.</p>	March-18	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Incomplete or inaccurate financial records	3	1		RFO has the qualifications and experience to fulfil role and undergoes training to build on this. Expenditure scrutinised by Finance & General Purposes Committee Two signatures required for all cheque payments			
Precept inadequate to meet financial commitments	3	1		Precept calculated with regard to Council's projections and existing commitments in conjunction with Finance & General Purposes Committee and Budget Working Group. Clarity provided by the RFO on impact of different precept options. Provision exists for shortfall in precept income.			
Annual return submitted late	3	1		Task is within RFO's work plan and is critical to the External Auditor's work. TC liaises with RFO to ensure work is planned, completed accurately and to time.			
Insurance inadequate for purposes	3	3		Annual reviews take place with insurers to ensure cover is adequate and not excessive. Officers aware of the insurance cover and fulfil the stipulations required of insurers (if any) to ensure the cover is not invalidated.	Town Clerk to review Asset Register and forward to the insurance company to review against the insurance	March-18	RFO
Banking errors and charges arising	2	2		Bank reconciliations undertaken monthly. Banking is with a reputable organisation and is subject to a business banking contract which makes clear the banks and the Council's responsibilities. The RFO advises that the Council's responsibilities are fulfilled.			



	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Loss or theft of cash	1	2		Fidelity insurance in place. Cash holdings are minimal. Safes used. Procedures in place to ensure safekeeping. Liaison with Police if necessary.	Fidelity insurance to be increased as required based on budget.	March-18	RFO
Compliance with HMRC Regulations	1	2		Appropriate payments for tax and National Insurance contributions made via Liberata.			

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>GOVERNANCE</b>							
Spend and activity in areas in which the Council has no power (ie Council behaves <i>ultra vires</i> )	3	2		Fully trained and experienced TC in post with a good knowledge of the scope of the Council's legal powers. Access to NALC and LALC resources to provide guidance on legal issues. All proposed payments scrutinised to ensure Council has powers to make payment	Members to attend workshop on power and scope to utilise council's powers.	Ongoing	TC
Insufficient capacity of members and staff to deliver upon Council objectives.	3	2		Work is undertaken by the Budget Working Group, Finance & Audit Committee and Council to ensure that the annual Council work plan is deliverable by having the resources in place or budgeted for.	Monitor achievement of Council work plan regularly and recommend change as required. Additional commitments are not accepted without clear identification of legal power, resources required and funding allocated.	Ongoing	TC
Members fail to behave in accordance with the member code of conduct	2	2		Standing Orders contain procedure for dealing with poor behaviour. Monitoring Officer role in place (via Pendle Borough Council)	New members to attend workshop regarding member code of conduct and Nolan principles of public office. New Chair to be separately briefed on process for dealing with behavioural issues.	Ongoing	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Conflict of interest not declared or dealt with appropriately	3	2		Standing Orders contain procedure for recording and dealing with member and officer conflicts of interest. Monitoring Officer (PBC) maintains register of interests which is published on the internet. Members have received training in this area. Staff conflicts of interest referred to TC.	New members to attend workshop regarding member code of conduct and Nolan principles of public office. Chair to be separately briefed on process for dealing with conflict of interest issues.	Ongoing	TC
Loss of 'General Power of Competence'	3	2		TC person specification requires the relevant qualification. Fully qualified TC in post. Requisite number of members are elected (either by ballot or unopposed).	Liaise with Elections Unit to find out whether there are sufficient nominations to the new Council.	Ongoing	TC
Failure to identify opportunities presented by 'General Power of Competence' and Localism Act	2	3		Fully trained and experienced TC in post with a good knowledge of the scope of the Council's legal powers. Advice available from SLCC / NALC / LALC.	Horizon scanning for opportunities to take place in conjunction with community consultation.	Oct-15	TC
Referendum or by-election required	2	2		Provision maintained for the cost of a by-election or referendum.			
Libel or slander claims received	3	1		Insurance in place.	To discuss insurance requirements with insurers prior to renewal.	March-18	TC
Poor relationship with partners (including PBC)	2	1		Officers have good relationships with peers at Pendle Borough Council. NTC continues to enhance relationships with PBC councillors and MP.	New members to be trained in different roles and responsibilities of a local council and a principal authority.	May-15	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Council meetings not quorate or not minuted correctly.	2	1		<p>Procedure in place to record apologies in advance of meetings.</p> <p>Attendance recorded as part of minute taking to evidence a quorum. Minutes and agenda published as per legal requirements.</p> <p>Minutes and agenda produced in prescribed method, minutes approved and signed.</p>			

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>STAFFING</b>							
Inadequate capacity to fulfil the Council's objectives leading to low staff morale	3	2		<p>Fully qualified Town Clerk and Responsible Financial Officer in Place.</p> <p>Catering Manager has an assistant and casual workers as required.</p> <p>Caretakers are both contracted to provide cover in each others absences</p>	<p>Advertise a post for Assistant Clerk and ensure training is given as required on financial procedures and council business.</p> <p>Officer appraisal to take place on regular basis to include setting and monitoring objectives.</p> <p>Ensure capacity exists to deal with workload.</p> <p>Secure additional capacity or release current capacity prior to accepting new work.</p> <p>Undertake further officer workshop / meeting events</p> <p>Officers to have diarised one to one liaison meetings with TC</p>	Janaury-18	TC
Staff absence (sickness, resignation)	3	2		<p>Catering Manager has an assistant and casual workers as required.</p> <p>Caretakers are both contracted to provide cover in each others absences</p> <p>All work documents available on shared drive. Sickness absence procedure is in place</p> <p>Procedure is in place for dealing with leavers and this ensures that assets are recovered and knowledge is harnessed</p>	<p>Consider further opportunities for succession planning and business continuity in event of staff absence.</p>	Ongoing	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Inadequate training	2	3		All officers have received sufficient professional and on-the-job training to ensure they can fulfil their roles.	Officer appraisal to take place on regular basis to include identifying development needs (e.g. coping with change).	Ongoing	TC
Employment Tribunal claim	3	1		Employment contracts based on SLCC/NALC guidance issued to all officers. Professional HR consultancy service available. All staff aware how to access.  Employment Law contract with Peninsula Business Services that includes insurance cover for any tribunal claims			
Payroll inaccurate	3	1		Payroll outsourced to Liberta payroll			

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<b>HEALTH &amp; SAFETY</b>							
Legionella, asbestosis or other similar condition	4	1		Contractors with expertise in assessing legionella and asbestosis risks have attended the Unity Well Being Centre and made recommendations to minimise risk exposure.	Consequent recommendations being implemented. Asbestos contractor to be appointed.	March-18	TC
Member of public, staff or councillor injured at NTC premises, at NTC event or by NTC asset	4	1		All members and staff aware of their H&S responsibilities. For each event, insurers consulted on an appropriate level of cover which is procured with the insurer's stipulations fulfilled. H&S checklist also completed and retained. Public & employers liability insurance in place. Contractors required to state liability insurance status prior to securing work with NTC. First Aiders list regularly reviewed.	Fire drill to take place New members to be advised of their H&S responsibilities (eg signing in). Contractor are required to complete a contractors questionnaire and provide necessary documentation. 'Community assets' to be checked at least annually to ensure they are in good state of repair and repaired or removed if not.	Ongoing	TC
Attacks on staff	3	1		CCTV covers many parts of Unity Well Being Centre. Town Clerk has mobile phone. Lone Working Policy adopted and in operation.	Security policy to be drafted and approved. Staff trained in how to avoid or diffuse confrontational situations.	Ongoing	TC
Fire, flood or other peril affects NTC premises or equipment	3	1		Insurance in place. Flooding risk small other than from water tanks. Fire risk assessments regularly undertaken and acted on.			

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>INFORMATION ASSETS</b>							
Excessive Fol requests	2	1		Minutes and spend over £500 published on the NTC website. Public and press welcome to attend NTC meetings.			
Loss of data	3	2		System backed up daily on a hard drive. Accounts system is backed up and stored securely.	Strictly control 'edit' rights to NTC website(s) and domains. Move paper archive (once purged) to a location that is more appropriate.	Ongoing	TC
Corporate memory loss arising from staff or member loss of office / resignation	3	2		Documents recorded on the shared network. Council documents in order and secured in office. Procedure is in place for dealing with staff leavers	TC to host meetings with outgoing members. Ensure officer support is available for all committees. Ensure that the procedure for staff leavers includes documenting knowledge.	Ongoing	TC



	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Breach of data protection / information security	2	3		<p>Officer training in information security completed.</p> <p>Relevant officers aware of principles of data protection.</p> <p>Contractual clause for officers and consultants to maintain confidentiality.</p> <p>Accounts software password protected.</p> <p>Officer personal records stored securely.</p> <p>Breaches required to be reported to TC.</p> <p>CCTV notices erected.</p>	<p>Adopt clear desk policy.</p> <p>Consider whether specific areas of shared drive require further security.</p>	Ongoing	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>VEHICLE</b>							
Accident	3	1		Insurance in place. Regular checks take place of the nominated driver's driving licence with evidence thereof retained. Vehicle (Quad Bike) maintained.			
Theft	2	1		Insurance in place. Vehicle very obviously marked as belonging to NTC. Vehicle stored off road in secure location when not in use.			

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
<b>REPUTATION</b>							
Adverse press coverage	2	3		Public and press welcome to attend/film Council meetings. Proactively use the press to promote the work of NTC Only the TC and Mayor may respond to media enquiries on behalf of the Council.	Develop a policy for Press and Media	March-18	TC
The people of Nelson do not value the work of NTC	2	3		All NTC activity is for the benefit of the people of Nelson. Evidence of media coverage of NTC success stories. Website and social media sites actively promote the work of the Council.	Proactively use the press to promote the work of NTC Promote and apply community engagement strategy Make it a condition of joint project funding that 'with the support of NTC' is referred to on asset, if possible, and included in promotional materials and press coverage.	March-18	TC
Government no longer values the work of parish councils.	4	1		NALC/LALC promote the work of local councils with government. NALC/LALC advise on how to promote success stories and how to engage with communities	Act on NALC/LALC advice in this area in developing community engagement strategy. Act on information available from the Pendle Borough Council regarding community needs and aspirations.	Ongoing	TC

	Impact	Likelihood	Risk rating	Controls in place	Additional controls required	Timeframe	Responsible officer
Allotments managed inappropriately	3	3		Allotments society manage the allotments on behalf of the Council Tenancies enforced and governed by tenancy agreement. Tenancies allocated in the order of those who have been on the waiting list the longest.	Dedicated Allotments Officer to be considered as the central allotments society no longer have a secretary or a Chairman  Clerk to act as main point of contact for any allotment queries  Council to review the allotments charges		
MUGAS and other Council Services managed inappropriately	2	3		Agreements in place for the MUGAS  Agreement in place for the CCTV monitoring	MUGAS service to be reviewed and contracted out to tender  Service level agreement to be signed for CCTV service		
Breach of Equality Act	2	1		Unity Well Being Centre DDA compliant. Nelson Town Hall (Pendle Borough owned) believed to be DDA compliant. Consideration given by TC for requests for reasonable adjustments.			