**RISK MANAGEMENT SCHEME – HALEWOOD TOWN COUNCIL (Scheme to be Reviewed by March 2024)**

**Introduction**

This document sets out the framework on which risk management processes at Halewood Town Council are based. This framework should assist in ensuring that a consistent approach is taken across the Council for the identification, assessment and evaluation of risks, and for ensuring that actions are proportionate to identified risks, thereby efficiently and effectively utilising resources and maintaining a balance between risks and controls. Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.

**Risk Management**

Risk management is an essential feature of good management and applies to all aspects of the Council’s business.

There is an Audit requirement under the Accounts and Audit (England) Regulations 2015 s.3 to establish and maintain a systematic strategy, framework and process for managing risk. Risks and their control will be collated in a Risk Register. Implementing the strategy involves identifying, analysing/prioritising, managing, and monitoring risks.

**Likelihood of Risk**

The scoring system aims to identify the likelihood of risk for each topic. For ‘Impact’ and ‘Likelihood’ a low-risk scores 1, medium risk scores 2 and high-risk scores 3. The scores should then be multiplied to provide an overall risk score. The maximum score, and therefore a very high risk for the council, is 9 (i.e., Impact 3 x Likelihood 3 = 9)

**Summary**

This document has been produced to enable Halewood Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The list is not exhaustive, and the Town Council may wish to consider other risks not identified.

1. **Council Finances**

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| TOPIC | NATURE OF RISK | Mitigation of Risk | Impact  | Likelihood | Risk Rating | Review Date |
| Managing Finance | Inadequate records/ financial irregularities | The Town Council uses Financial Regulations which set out the requirements based on Model Regulations from NALC. Internal Auditor appointed annually. Financial records are externally audited by way of the annual AGAR. The Town Council operates a system of internal control.  | **2** | **1** | **2** | **April 2023** |
| Precept | Not Submitted / Not Paid by Borough Council / Adequacy of Precept/ Adequacy of Budget provision. | Full TC Minute & Diary to forward request to Knowsley MBC to check and report if not received at beginning of each period (10% at beginning of April, 90% at end of April) Calculated on need after other income taken from estimated expenditure Proposed budgets go to Council with explanatory notes.  | **3** | **1** | **3** | **April 2023** |
| Internal Financial controls | Inadequate internal controls regarding monitoring of expenditure | Internal control checks are carried out at least annually by a Councillor (who must not be a bank signatory) to ensure effective financial management by Clerk/RFO. | **3** | **1** | **3** | **April 2023** |
| Salaries | Salaries paid incorrectly | The Council authorises the appointment of all employees through its formal meetings. All staff have a contract and job description. Salaries are paid monthly in arrears by BACS. TAX and NI contributions are calculated by the Town Council's Finance Lead and authorised by the Council at its meetings. | **2** | **2** | **4** | **April 2023** |
| Reserves  | Reserves too high / too low | Practitioners Guide advises reserve balance must not exceed the Precept but should be sufficient to allow the Council to operate if expected precept is not received. Monies held over and above this amount should be earmarked funds. | **2** | **2** | **4** | **April 2023** |
| Illegal activity / fraud | Illegal activity or payments | All activity and payments within the Powers of the Town Council to be resolved at Council meetings as per the Financial Regulations. | **3** | **1** | **3** | **April 2023** |
| Illegal activity / fraud | Fraud by Employees / Councillors | Ensure level of Fidelity Insurance is adequate and review annually. All payments subject to review by Councillors. | **3** | **1** | **3** |  |
| Taking Cash payments | Cash handling | Cash may be received for general hiring or hire of the council’s two settings for functions. Cash to be paid into the bank account as soon as practically possible. The cash is securely locked in the safes at each office. There is limited petty cash held. 2 people to be present to count takings for sums over £250 | **3** | **2** | **6** | **January 2023** |
| Use of contractors for services | Best Value Accountability: Work awarded incorrectly / overspend on services | Normal Town Council procedure is to seek three quotations for any substantial work to be undertaken. For major contract services, formal competitive tenders are sought. If a problem is encountered with a contract the Town Manager would investigate the situation, check the quotation / tender, research the problem and report to the Town Council. This is covered in the Financial Regulations | **2** | **1** | **2** | **April 2023** |
| Councillor allowances | Councillor allowances / Councillors overpaid / income tax deduction. | No allowances are allocated to Halewood Town Councillors. | **1** | **1** | **1** | **April 2023** |
| Councillor allowances | Mayor’s Charity Fund is not used for intended purposes. | The £1,000 Mayor’s Fund is allocated to local charities. This is reported to council. | **2** | **1** | **2** | **April 2023** |
| Grants of Funding. Community Grants awarded by the Town Council. | Grants Payable: Power to pay / Authorisation of the Town Council to pay. | All such expenditure goes through the required Town Council's process of approval, minuted and listed accordingly, and separately listed if made using S137 powers of expenditure. | **3** | **1** | **3** | **April 2023** |
| Grants of Funding: Grants the council are awarded. | One-off grants come with terms and conditions to be satisfied. The council may lack the capacity to manage such conditions. | Staff capacity and support is enabled to manage the expectations of grant providers. Some grants include provision of funding to backfill staff hours. | **2** | **1** | **2** | **April 2023** |

1. **Business Continuity**

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| TOPIC | NATURE OF RISK | Mitigation of Risk | Impact  | Likelihood | Risk Rating | Review Date |
| Key staff | Incapacity / Absence of Clerk / Resignation of Clerk Absence or Resignation of Staff.Age profile of team. More than 50% of the workforce (5 people) are aged 59 and over. | Council to designate a person to temporarily act as Clerk in an emergency. A Locum Service is available through the Society of Local Council Clerks but can be expensive. For other staff distribute workload until a replacement/temporary cover can be found. Role of Democratic Services Officer (Deputy Proper Officer) is now in place for additional Proper Officer support.A ‘Succession Plan’ to be reported to council in January ‘24 highlighting measures to address the challenge of the age profile of the team | **3** | **2** | **6** | **February 2023** |
| Council records | Loss or damage to Council records through theft / fire / damage Inability to access records | Minutes and Agendas are held on the Council's website and Teams sites. Hard copy Minutes bound as soon as practically possible and stored securely. Data is backed up daily on the server. Copies of policies are available on the council website. | **3** | **1** | **3** | **April 2023** |
| Buildings | Loss of Town Council Office through fire or damage | Fire arrangements are checked by Buildings Officer in accordance with the H&S Policy. Fire extinguishers are maintained by a contractor annually. The fire alarm is tested weekly. All equipment is inspected regularly. The premises are cleaned daily.  | **3** | **1** | **3** | **April 2023** |
| Data and information | Security of Data (IT systems and support) | Any confidential documents are securely destroyed. The Council's computers are password protected and have anti-virus software. Council IT is provided by the Principal Authority and is therefore highly secure from cyber-attacks.The Council is registered with the Information Commissioner. | **3** | **1** | **3** | **April 2023** |
| Councillors | Failure to retain or secure the necessary number of members of the Council.Replacing vacant councillor positions. | Council staff maintain an up-to-date Councillor Attendance Register. The Council has a Co-option Policy for casual vacancies. | **2** | **2** | **4** | **April 2023** |

1. **Council Meetings and Governance Processes**

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| TOPIC | NATURE OF RISK | Mitigation of Risk | Impact  | Likelihood | Risk Rating | Review Date |
| Councillors / Democratic functions | Failure to retain the necessary number of members of the Council, risk of becoming inquorate. | Council staff maintain an up-to-date Councillor Attendance Register.  | **2** | **1** | **2** | **April 2023** |
| Council Meetings/ Minutes/Agendas/Notices/StatutoryDocuments | Accuracy and legality of minutes and notices, and the process and conduct of council business / meetings. | Minutes and agenda are produced in the prescribed method by council staff and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following meeting. Minutes and agendas are displayed according to the legal requirements.Business conducted at Town Council meetings is managed by the Chairperson. | **3** | **1** | **3** | **April 2023** |
| Members interests | Conflicts of Interest / Register of MembersInterests. | Councillors are required to declare where they have an interest in any item of business, and this is recorded in the Minutes. Completed Register of Interests forms are submitted to the Monitoring Officer and reviewed annually. Any change in a Councillor's Register of Interest must be declared. Code of Conduct has been adopted. | **3** | **1** | **3** | **April 2023** |
| Legal undertakings of the council | Lack of knowledge of regulations and legislation | Ensure that a Code of Conduct, Standing Orders and Financial Regulations are in place and are reviewed annually. Town Manager and other members of staff should be provided with relevant training, reference books and access to assistance and legal advice required to carry out their role. Councillors should also be provided with training wherever applicable. Membership of NALC provides a safety net for legal advice when required. | **3** | **1** | **3** | **April 2023** |
| Compliance with the law | The Council takes actions / decisions outside its powers laid down by Parliament.Lack of adherence to regulations and procedure. | Town Manager to monitor relevant legislation and report to Council. Seek advice from other bodies where required.Council to review meeting and operational procedures annually. | **2** | **2** | **4** | **April 2023** |
| Council reputation and standing in the community. | The council loses its standing / reputation with local people through poor communications, not meeting expectations of residents or issues arising through the actions of staff or members. | The council website and social media platforms should regularly advise residents of relevant information and celebrate the work of the council. Social media is monitored for resident feedback, but staff capacity means this cannot be 24 hours per day.All council staff and all elected members are now DBS checked.  | **3** | **2** | **6** | **April 2023** |
| Engagement in council business and activities by members | Lack of engagement by members in the operation and activities of the Town Council, including the Mayor’s Charity. Members are not transparent in dealing with members of the public. | Members should take every opportunity to publicise the role of the Town Council through the website, newsletter, Facebook and twitter. Public Forum Sessions are held at the start of each Council meeting. Effective use of noticeboards. | **2** | **2** | **4** | **April 2023** |
| Councillors / Democratic functions | Failure to retain the necessary number of members of the Council, risk of becoming inquorate. | Council staff maintain an up-to-date Councillor Attendance Register.  | **2** | **1** | **2** | **April 2023** |
| Councillor resignations | Replacing vacant councillor positions  | The Council has a Co-option Policy for casual vacancies. | **2** | **1** | **2** | **April 2023** |
| By-elections | Election costs | When a scheduled election is due, the Town Manager will obtain an estimate of costs from Knowsley MBC. The Council has earmarked funds of £8,000 to meet any election costs. If this is insufficient at any time the shortfall will be met from general reserves. | **2** | **1** | **2** | **April 2023** |

1. **Assets, Property and Council Projects**

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| TOPIC | NATURE OF RISK | Mitigation of Risk | Impact  | Likelihood | Risk Rating | Review Date |
| The council’s two buildings, Hollies Hall and The Arncliffe Centre | Loss of one or of the buildings through fire or similar catastrophe.  | Adequate insurance cover to recoup costs. Regular inspections, updates of insurance and asset register. Review adequacy of public liability insurance Safety inspections. Fire arrangements are checked by Buildings Officer in accordance with the H&S Policy. Fire extinguishers are maintained by a contractor annually. The fire alarm is tested weekly. All equipment is inspected regularly. The premises are cleaned daily and subject to quality checks. | **2** | **1** | **2** | **April 2023** |
| The council’s two buildings, Hollies Hall and The Arncliffe Centre | The buildings need significant upgrades, system or building failures force the closure of a building. | A maintenance plan has been developed to identify key priorities for the buildings.Council to consider longer-term investments to the buildings. | **2** | **2** | **4** | **April 2023** |
| Equipment owned by the Town Council | Loss or damage to Assets. Risk/damage to third party | An Asset Register is maintained for asset control. An annual review of any assets will be undertaken for insurance purposes. Regular risk checks of Council property. Independent check of equipment in the play areas undertaken regularly by Buildings and Safety Officer and annually by an Inspector. Any repairs undertaken by a competent person. Public liability insurance is in place. | **3** | **1** | **3** | **April 2023** |
| Third party contractors | Employment of Contractors | Ensure that all contractors hold sufficient public liability insurance and health and safety certificates. Contractors to be issued with the Council's requirements. | **3** | **1** | **3** | **April 2023** |
| Land management | Inability to manage and maintain the 7 leased parks / green spaces | Grounds maintenance contract is in place and the provider’s work is monitored. The council must, however, make provision for the maintenance of some of its green spaces that require increased planning and management (i.e. New Hutte Woods) | **3** | **2** | **6** | **April 2023** |
| Community Projects delivered for the benefit of residents | Unable to fund or deliver projects / Capacity to deliver projects / Risk management and legal issues not appropriately managed i.e. licences for major outdoor events. | Experienced staff are in place with written project plans. Projects agreed annually by council to assist with long-term planning. Effective engagement in place for key contacts i.e. Knowsley Licencing Team | **2** | **2** | **4** | **April 2023** |
| NALC Quality Award | Not having the Quality Award Status impacts the standing of the council. | The council has submitted evidence to NALC for Quality Status. A high percentage of the evidence has been assessed and approved by the NALC Panel | **3** | **1** | **3** | **January 2023** |