



Longridge
Town Council

For Information

Risk Management Policy and Register 2024/2025

Adopted: 11 September 2024

Chair: Cllr. S. Rainford

Minute Ref.: 240911/8

*Administered by Clerk and Responsible Financial
Officer to Longridge Town Council.*

Review Date: May 2025

1. Background

Risks can be defined as any threat or possibility that an action or event will affect the interests of the Town Council. Risk management is not a process of avoiding risk but an attempt to identify risk and assess its implications in order to make informed decisions.

While, some risks can never be fully eliminated, it is important to have a plan in place that provides a structured, systematic, and focused approach to managing risk.

The Town Council is responsible for the management of risk in accordance with this plan. The Clerk is responsible for advising the Town Council on risk assessment and for conducting their duties in a manner which avoids undue risks to the Council.

Most of the Town Council’s identified risks are covered by insurances taken out, i.e., public liability, employer liability, money, fidelity guarantee, property damage, official’s indemnity, and asset insurance.

Risk assessment is a continuous process for the Council and this plan is not exhaustive. The Town Council may wish to consider other risks not identified. The plan will be reviewed annually, and it should be read in conjunction with the Town Council’s Financial Regulations and Standing Orders.

2. Risk Assessment

Once the Council has identified its key risks, the next step is to assess the potential consequences of a risk occurring (**Impact**) and consider how likely this is (**Likelihood**). The risk assessment enables the Council to decide which risks it should pay most attention to when considering what measures to take to manage them.

The Council is using a simple numerical score (1 – 3) and multiplying the two scores to arrive at a risk assessment score for each risk of High, Medium, or Low.

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

3. The Risk Management Register

The Town Council is expected to carry out as a minimum an annual risk assessment and identify any actions it considers necessary to minimise those risks.

#	Description of Risk	Consequence	Likelihood	Impact	Risk Rating	Mitigation	Responsible
1	Personal injury or damage to the public or their property arising from defects in Council owned assets.	Claims for compensation and costs to the Council in defending claims where appropriate.	1	2	2	<ul style="list-style-type: none"> Covered under the Council's Public Liability Insurance Policy. Regular inspection and maintenance and prompt repair of any damage. Periodic review of insurance cover and timely renewal 	Council and Clerk
2	Compensation claims by an employee in respect of injury sustained in carrying out their employment.	Claims for compensation and associated costs. <i>Note: the current clerk is over 76 and some insurance claims are reduced.</i>	1	2	2	<ul style="list-style-type: none"> Potential liabilities, including costs, covered by Council's insurance policy. Maintain adequate insurance cover in respect of employees. 	Council and Clerk
3	Compensation claims by contracted person in respect of injury sustained in the cause of engagement.	Claims for compensation and associated costs.	2	1	2	<ul style="list-style-type: none"> Ensure contractor has suitable insurance as required by service contract. Lengthsman is required to take out suitable insurance as required by service contract. Occasional site checks to ensure compliance with risk procedures. 	Clerk
4	Loss of cheques, cash etc. held on the Council's behalf.	Reduction in Council's financial resources.	1	2	2	<ul style="list-style-type: none"> Such losses are covered by insurance policy. Prompt payment of receipts into bank Limited petty cash held. Internet banking in operation. 	Council and Clerk Clerk
5	Financial loss due to banking error. For example, loss of interest or bank charges levied.	Reduction in Council's financial resources.	1	1	1	<ul style="list-style-type: none"> Scrutiny of bank statements upon receipt. Periodic review of banking arrangements to secure reasonable terms and conditions. 	Clerk

#	Description of Risk	Consequence	Likelihood	Impact	Risk Rating	Mitigation	Responsible
6	Loss of monies due to fraudulent action by Council employee(s).	Reduction in Council's financial resources and reputation.	1	3	3	<ul style="list-style-type: none"> All payments require two approvals Internet Banking. All expenditure approved by Council. Financial Statements provided to Council. Accounts subject to scrutiny by Internal Auditor, and overview by External Auditor. Apply financial regulations. Regular review of insurance cover. 	<ul style="list-style-type: none"> Council Council Council Auditors Clerk Clerk
7	Damage to Council property by third party.	Repair / replacement costs to be covered.	2	2	4	<ul style="list-style-type: none"> Council's insurance policy covers items of playground equipment and street furniture. Regular inspection of all Council assets, up to date Asset Register 	<ul style="list-style-type: none"> Clerk Clerk/Council
8	Actions against the Council for: <ul style="list-style-type: none"> Libel or slander Breaches of employment law. Unfair dismissal. Employment grievances. 	Substantial costs to the Council. Reputational damage to the Council.	1	3	3	<ul style="list-style-type: none"> Financial risk covered by the Council's insurance. Ensure Members are aware and have training on such matters. Proper conduct of meetings by Members. Seek professional advice. 	<ul style="list-style-type: none"> Clerk. Chairman/Clerk Chairman Clerk
9	Failure to represent community interest adequately in relation to matters likely to impact significantly on the Town.	Reduction in local facilities and/or quality of life or missed opportunity to benefit from external funding or advice.	1	3	3	<ul style="list-style-type: none"> Membership of NALC/LALC Threats and opportunities reported to Council meetings. Special meetings called as required. Clerk's Office open to public several days each week. Council to be kept informed on all matters. 	<ul style="list-style-type: none"> Council and Clerk Council and Clerk Clerk Clerk
10	Loss of Council paper records or computer files.	Inconvenience in tracing information particularly legal and historical records.	1	3	3	<ul style="list-style-type: none"> All computer files stored in the Cloud Paper records stored at the Council's Office. 	Clerk
11	Council assets subject to inclement weather, vandalism, theft, malicious or accidental damage.	Injury to public because of any malfunction.	1	3	3	<ul style="list-style-type: none"> Insurance cover for public liability and replacement value. Regular inspections, especially over the festive period and special events. 	Council and Clerk

#	Description of Risk	Consequence	Likelihood	Impact	Risk Rating	Mitigation	Responsible
12	Precept not submitted on time, or not paid by RVBC or inadequate for purpose.	Reduction in Council's financial resources and inability to deliver services	1	3	3	<ul style="list-style-type: none"> Budget and precept considered each Nov/Dec. Regular reviews against budget. Reminder sent out by RVBC 	Council and Clerk
13	<ul style="list-style-type: none"> Salaries wrongly calculated and paid. False employees registered for payment Tax and NI deductions incorrect 	Reduction in Council's financial resources and impact on the Council's reputation.	1	3	3	<ul style="list-style-type: none"> All payments authorised in accordance with Financial Regulations and authorised by two members. Regular budget comparison at Council meetings. Payroll services company employed to calculate clerk's salary and HMRC payments. 	Council and Clerk
14	Payments made for goods not received. Payments incorrect.	Reduction in Council's financial resources.	1	3	3	<ul style="list-style-type: none"> Purchases made from reputable known suppliers. Generally, only paid after receipt of goods/service. Use bespoke payment software. 	Clerk/Council
15	Insufficient reserves	Inability to deliver Council services and impact on the Council's reputation.	1	3	3	<ul style="list-style-type: none"> Annual Budget approved with regular reviews. New expenditure only where reserves allow. Reserves maintained at levels commensurate with expenditure commitments and historical experience. 	Council and Clerk
16	Loss of key personnel	Inability to operate and deliver services and impact on the Council's reputation.	2	3	6	<ul style="list-style-type: none"> Ensure Clerk has adequate training, support, and hours to undertake role so as to avoid stress or early departure. Ensure regular back up of computer files. Ensure sufficient notice periods are provided to allow replacement. Continue membership of LALC and NALC for advice. Maintain regular contact with the Clerk and carry out regular reviews. 	<ul style="list-style-type: none"> Council Clerk Council Clerk and Council Council
17	Failure to comply with procedures for awarding contracts of goods and services	Reduction in Council's financial resources. Inability to deliver services Impact on the Council's reputation	1	3	3	<ul style="list-style-type: none"> Ensure adherence of Standing Orders and Financial Regulations for awarding of contracts Ensure contractors have necessary appropriate risk assessments and insurances in place. Procedures in place and payments approved in accordance with Financial Regulations 	Council and Clerk

#	Description of Risk	Consequence	Likelihood	Impact	Risk Rating	Mitigation	Responsible
18	Trees located on Council owned land.	Risk to persons and property from falling trees, branches, and root ingress.	2	3	6	<ul style="list-style-type: none"> • Maintain a regime of regular tree inspections in all locations. • Insurance cover for public liability and replacement value. • Introduce a Tree Policy. 	Council and Clerk
19	Asset maintenance.	Loss or damage to asset or injury to third party or property.	1	3	3	<ul style="list-style-type: none"> • Maintain a regime of regular inspection in locations where the asset is located or held. • Insurance cover for public liability and replacement value. • Annual review of the Asset Register for insurance provision and AGAR. 	Council and Clerk
20	Council's reputational loss.	Council cannot function properly.	1	3	3	<ul style="list-style-type: none"> • Ensure Standing orders, and Financial Regulations are up to date. • Ensure internal audit is adequate. • Ensure tenders and quotes follow procedures. • Ensure Members are adequately trained. • Ensure Clerk is adequately trained. • Develop training programme for Councillors. • Retain membership of NALC and LALC. • Ensure members interests are recorded. 	Council and Clerk
21	Loss of Councillors resulting in meetings being inquorate.	Council cannot function	2	3	6	<ul style="list-style-type: none"> • Ensure Councillor numbers retained at 100% by co-option. • Create waiting list of possible councillors. • Follow up why Councillors not attending meetings. 	Council and Clerk
22	Third party income not set at market rate, or not invoiced correctly/ or at all.	Council losses income, precept has to be increased, residents not happy.	2	3	6	<ul style="list-style-type: none"> • Carry out regular rent reviews. • Use software instead of manual process for payment of invoices 	Council and Clerk

4. Possible actions to further mitigate potential risks.

The table below sets out additional mitigation measures the Council may consider.

#	Description / Impact	Additional Mitigation	Responsible
8	Actions against the Council for. <ul style="list-style-type: none"> • Libel or slander • Breaches of employment law. • Unfair dismissal. • Employment grievances. Substantial costs and reputational damage to the Council.	Consider retaining the services of professional advisors e.g. human resource/legal advisor.	Council and Clerk
10	Loss of Council paper records. Inconvenience in tracing information particularly legal and historical records.	Look to digitise all hardcopy records and correspondence.	Council and Clerk
22	Third party income not set at market rate.	Engage more frequently with the Council’s preferred agent for such matters.	Council and Clerk
	Third party income not invoiced correctly or at all.	Re-instate payment/invoice software	Clerk

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