

Little Baddow Parish Council
Risk Management Review 9th April 2005

Introduction

The Council is required to undertake an annual review of the risks faced in its operations, and its arrangements for their management if appropriate.

This document is issued as work-in-progress, to give Councillors an opportunity to contribute to the risk review.

The table below needs to be completed in respect of identified risks. Councillors are asked to submit to the Clerk any additional items that they feel it might be appropriate to include. Input should ideally be made using the enclosed proforma page, but is acceptable in any form.

The left hand column names the risk.

The next column identifies the ***assessed probability*** of the risk materialising within 10 years –

- Low – very improbable
- Medium – could happen, but not thought likely
- High – a significant chance of occurrence exists

The third column identifies the ***assessed degree of impact*** it would have if it ***did*** occur – taking no account of the probability of it occurring –

- Minor – the Council would have to respond to the occurrence, but problems arising could be dealt with without major disruption to Council operations
- Medium – significant adverse impact on overall Council operations
- Major – highly disruptive to Council operations.

The final column identifies the mechanisms that are used/to be used to reduce or manage the risk. This may itemise existing or planned mechanisms.

<u>Risk</u>	<u>Probability of Occurrence</u>	<u>Impact of Occurrence</u>	<u>Reduction/Management Mechanisms</u>
Loss of Council's physical records – minutes, income/expenditure book, etc., due to fire	Medium	Medium	Copies of most records naturally exist elsewhere, so could be re-compiled to some degree in an emergency. Not realistic to seek to maintain full duplicate set in another location. Able to re-compile approximate financial records from computer system, bank accounts, hall diary, etc. Some financial loss would occur, but not crippling
Loss of Council computer records due to fire or theft	Medium	Medium	Regular full back-up taken of system. Computer kept in detached office. Disk back-up kept in main house. Cost of replacement equipment insured.
Loss of Council documents of title, deeds, etc.	Medium	Medium	Documents to be kept in secure, fire-resistant location. Photocopies to be maintained in separate location. Annual check to be made against loss.
Hall income (primary non-precept income) lost due to forced closure of hall or other cause of bookings' losses. Examples: fire or serious structural problem	Medium	High	Maximum loss c.£10k per annum. Insured against income loss. In addition, part of annual hall related costs of c.£20k per annum would be eliminated. However, plans must be developed to prepare for eventual roof repairs. Ultimately, if Council's position unsustainable then Hall could be sold or gifted to independent Charitable Trust which could seek grant aid.
New, big cost burden arises – e.g. need for major (say >£15k) repairs/refurbishment to hall, SCPA or pavilion that cannot be delayed while funds are accumulated over an extended period	High	High	Need to rebuild reserves over several years to provide an uncommitted reserve of at least £15,000 (recommended reserve by EALC for Councils is half of precept).
Substantial financial loss due to fraud perpetrated by Clerk	Low	High	Council has instituted a range of control mechanisms in line with NALC recommendations, just revised. All drawings from bank accounts require dual signatures. Fidelity insurance is maintained.
Legal Action against Council due to negligence of Councillor or Clerk	Medium	High	Existing system and processes – but consider annual session addressing duties of Councillors as reminder. All new Councillors to go on induction/training session at earliest opportunity

