

Little Baddow Parish Council

Risk Management Review

Introduction

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

This document is issued as a draft, 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. Disk back-up kept in separate, fire-resistant location. Cost of replacement equipment insured.
Loss of Council documents of title, deeds, etc.	Medium	Medium	Key documents kept in secure, fire-resistant location. Photocopies 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.£20k per annum. Insured against income loss. In addition, part of annual hall related costs of c.£20k per annum would be eliminated. However, to prepare for eventual roof repairs, the existing reserve policy must be maintained. 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 £30,000, as recommended by EALC.
Substantial financial loss due to fraud perpetrated by Clerk	Low	High	Council has in place a range of control mechanisms in line with NALC recommendations. All drawings from bank accounts require dual signatures. Fidelity insurance is maintained.
Clerk seeks to resign/retire	Hopefully low for some years	High	Clerk's terms of employment reviewed annually in discussion

	to come		
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Individual Councillor(s) resign or are unable to continue with their duties. Councillors have specific areas of responsibility which could be critical	Medium for any one Councillor	Potentially medium, depending upon Councillor's individual duties	New arrangements being instigated (2010) to ensure each Councillor has at least one "support" Councillor, who could cover for the short term in such circumstances.
Liability to the Public arising from injury on Council premises due to snow or ice	Possibility of accidental injury is material, but action against the Council low	None unless Council can be argued to have failed in its duties & responsibilities	Insurers' advice has been obtained, which makes it clear that should Council have any policy involving snow/ice clearance which fails, then Council could have liability, but if policy is not to clear, and this is properly communicated, there is no liability. A separate paper (January 2011) addresses Council Policy and its communication.