



BREDE PARISH COUNCIL

Risk Management Scheme

The Joint Panel on Accountability and Governance (JPAG) Practitioners Guide advises that Risk Management is an ongoing activity that comprises four elements: identifying risks, assessing risks, addressing risks and reviewing and reporting. Councils must ensure that they have adequate risk management in place for financial management and the public services they deliver. The council and its individual members are responsible for risk management. JPAG Sections 5.97-5.99 are summarised in the Annex.

This document has been produced to enable Brede Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

Risk Prioritisation

The following table, as recommended by the JPAG 2020 Practitioners guide has been used for this Risk Management Scheme

Likelihood	Highly Likely (3)	Moderate (3)	Severe (6)	Severe (9)
	Possible (2)	Low (2)	Moderate (4)	Severe (6)
	Unlikely (1)	Low (1)	Low (2)	Moderate (3)
		Negligible (1)	Moderate (2)	Severe (3)
Impact				

Key: Low = Risks can be considered in the annual business cycle; Moderate = Risks should be considered at the next scheduled meeting of the Council. Severe = Risks should be considered immediately by the Clerk and Chair, if necessary calling an extra-ordinary meeting of the Council. All actions should be reported at the next scheduled Council meeting.

1 FINANCE					
Subject	Risk	Likelihood x Impact	Management/Control of Risk	Review/Assess/Revise	Responsibility
1.1 Insurance	Inadequate cover	1 x 1 =1	Values checked annually.	Full review every three years. Next due 2022	Clerk and Councillors
	Excessive cost	1 x 1 =1	Alternative quotes every three years		
	Non-compliance	1 x 2 =2	Clerks and Chairs monitor activity against Council procedures		
1.2 Precept	Precept is inadequate for Council to carry out its statutory duties, or to provide adequately for the community.	1 x 2 = 2	<ul style="list-style-type: none"> • Council to hold rolling plan for future years with planned projects and estimated costs. • Clerk to provide budget report for precept meeting including projected year end, indicative figures and costings. • Clerk requested precept from Rother District Council by the due date. • Clerk informs council when monies are received. 	Plan prepared or reviewed in autumn of each year	Clerk and Councillors
				Start to review budget in December Confirm precept in January	
	Precept is not adequately monitored or controlled	1 x 2 =2	<ul style="list-style-type: none"> • All expenditure over £500 approved in advance by Council • Council to receive monthly report of expenditure against budget 	Review each quarter	
1.3 Budget provision and reserves	Insufficient funds available for statutory duties or agreed projects	1 x 2 =2	Full budget to be submitted prior to precept request, to include earmarked reserves, contingency reserves and minimum three months running costs	Review procedure and running costs yearly. Thorough budgets for project, monitor and revise as necessary	Clerk and Councillors
1.4 Best Value Accountability	Work awarded incorrectly	1 x 2 =2	Where possible, seek more than one quote. Competitive tenders must be sought for major works.	Procedures in Financial regulations	Clerk and Councillors
	Overspend on services	1 x 2 =2	Monitor report and revise budget as necessary.	Problems investigated by clerk and reported to Council.	

1.5 Contracts and Contractors	Inadequate performance by maintenance contractors	1 x 2 =2	Standing orders for award of contracts and capital expenditure. Initial contracts for one year. Subsequent contracts can be for three years.	Report on performance and review when appropriate	Clerk and Councillors
1.6 Payroll and Salary	HMRC RTI submitted late	1 x 1 =1	Clerk's salary to be entered on Moneysoft and uploaded to HMRC monthly. Clerk prints submission sheet for inspection.	Current procedure adequate	Clerk and Councillors
	HMRC end of year submission late	1 x 1 =1	Council to complete End of Year Submission online within HMRC timeframe	Check yearly	Clerk and Councillors
	Salary paid incorrectly	1 x 1 =1	Salary checked by councillors and signed monthly	Review process yearly	Clerk and Councillors
	Unpaid tax to HMRC	1 x 2 =2	HMRC payment requirements checked by councillors on monthly salary summary sheet.	Review process yearly	Clerk and Councillors
1.7 Employees	Fraud by staff	1 x 2 =2	Requirements of Fidelity Guarantee Insurance adhered to with regards to fraud.	Review yearly	Clerk and Councillors
	Health and Safety problems	1 x 2 =2	All employees (currently just Clerk) to be provided adequate direction and safety equipment needed to undertake their role.	Monitor health and safety requirements and insurance annually	Clerk and Councillors
	Clerk Sickness	2 x 2 =4	Councillors may need to act in temporary capacity at nil pay. Contingency required for sickness/locum cover	Review contingency in budget annually Prepare monthly to do guide	Clerk and Councillors
	Clerk resigns/ no suitable clerk cover	2 x 3 =6	Councillors may act in temporary capacity at nil pay. Contingency required for advertising post. Ensure notice period is long enough in clerk's contract. Ensure clerk/councillor communication remains in place regarding appraisals and job satisfaction to prevent sudden resignation of clerk. Ensure handover time allowed for new clerk/ or locum.	Review contingency in budget annually. Ensure regular appraisal or clerk/staffing committee meeting. Advertise post quickly and appoint appropriately. Arrange for a qualified locum if required.	Clerk and Councillors

1.8 Grants	Grants not received	1 x 1 =1	Clerk to ensure that grants are received when claimed	Check and review annually	Clerk
	Payment of Grants and Power to pay using s137	1 x 1 =1	Ensure grant is within power of council to pay. List any grants via S137 correctly. Ensure all grant expenditure is approved, minuted and listed correctly	Council does not have Power of General Competence.	Clerk
1.9 Hire charges for Community Hall	Non-payment of hire charges	1 x 1 = 1	Ensure invoices sent out on time with clear information on payment requirements. Clerk to follow up late payments. Discuss with Chair if necessary.		Clerk
1.10 Bank and Banking	Inadequate checks	1 x 2 =2	Council has Financial Regulations setting out banking requirements	Financial regulations to be reviewed yearly	Clerk
	Bank errors	1 x 1 =1	Monthly reconciliation to check for errors		Clerk
	Payment mistakes	1 x 1 =1	Clerk to provide invoices. Cheques written by the clerk and signed by two councillors. Cheque stub initialled. Online payments set up by clerk and authorised by two councillors. Invoices and payment schedule signed.	Review when signatories/online access changed.	Clerk and bank signatories / authorisers
	In sufficient signatories available	1 x 1 =1	Ensure at least three councillors are able to sign/authorise and information with the bank is up to date	Review annually (May)	Clerk and Councillors
	Non performance /delivery of third parties	1 x 1=1	Use known suppliers where possible. Avoid prepayments where possible. Vet suppliers thoroughly		Clerk and Councillors
1.11 Financial Records	Inadequate records	1 x 1 =-1	Financial processes reviewed annually by internal auditors. Council Financial Regulations set out the requirements		Clerk and Councillors
	Financial irregularities	1 x 1 =1	Council has a routine for internal control. Figures inspected monthly and signed off. Any irregularities identified to be reported.	Review internal controls yearly. Change Councillors responsible regularly	Councillors

1.12 Audit	Annual Return not completed and publish within time limits	1 x 1 =1	External Audit Annual return completed and signed by the Internal Auditor, chairman and Clerk/RFO before 30 th June and published on website.		Clerk and Chairman
	Public threats whilst inspecting documents	1 x 1 =1	By appointment only at a convenient public place. Clerk to have Councillor present for safety.	Annual Inspection dates notice must include first 10 days of July.	Clerk and Councillors
1.13 Financial Reporting	Poor communication of financial position	1 x 1 =1	Financial information is discussed, reviewed and approved at each meeting		Clerk and Councillors
	Annual accounts inaccurate or late	1 x 1 =1	Year-end statements to be submitted in April/May. Clerk, RFO and Chairman to sign off.	Year end is 31 st March	Clerk and Councillors
1.14 VAT	VAT not reclaimed	1 x 1 =1	Make at least one claim (must be for more than one calendar month and over £100) at the year end.	Order must be placed, invoiced and paid by the Council.	Clerk
	VAT not charged	1 x 1 =1	Council is not currently registered for VAT	Be aware of VAT thresholds and levels for registration	Clerk

2. NON-FINANCIAL PROCESSES

Subject	Risk	Likelihood x Impact	Management/Control of Risk	Review/Assess/Revise	Responsibility
2.1 Legal Powers	Illegal activity or payments	1 x 1 =1	All activity and payments within the powers of the Parish Council to be resolved at full Council Meetings.		Clerk and Councillors
2.2 Minutes / Agenda / Notices and Statutory Documents	These documents inaccurate or not in the legal or prescribed format.	1 x 1 = 1	Minutes and Agenda in the prescribed manner and adhere to legal requirements. Minutes are circulated in advance of the meeting. Approved and signed at the next full Council meeting. Agenda and Minutes published on Parish Council Website.		Clerk and Councillors
	Standing Orders not kept up to date	1 x 1 = 1	Adopted in May 2021	Review each May	Council
	Financial Regulations not kept up to date	1 x 1 = 1	Adopted in June 2021	Review each May	Council

2.3 Council Records	Paper records altered, lost or destroyed	1 x 2 = 2	Council records are kept in at the Clerk's home and in a locked filing cabinet in the Village Hall.	Storage reviewed periodically, but currently considered adequate.	Clerk and Council.
	Electronic records corrupted or not accessible	1 x 2 = 2	The Parish Council Records are stored on the Council's laptop at Clerk's home. Data is backed up weekly. Antivirus software to be kept up to date.	Consider cloud-based storage and continuous backup.	Clerk
2.4...Data Protection	Policy Provision	1 x 1 = 1	Parish Council is registered with ICO	Renew Annually	Clerk and Council
	Data Protection Officer		Not currently necessary	Keep under review	
	GDPR not adhered to	1 x 1 = 1	Policies for Data Protection, Document Retention, Freedom of Information have been adopted and published	Review annually, (sooner if legislation dictates)	Council
2.5 Freedom of Information and Environmental Information Regulations	Policy not in place	1 x 1 = 1	The Council has a model publication scheme in place.	To date there have been no requests under FOI o EIR	Clerk
	Insufficient resources to respond to a request	1 x 2 = 2	The Parish Council is aware that if a substantial request came in it could create a number of hours extra work.		Clerk and Councillors
2.6 Councillors	Losing a Councillor	1 x 1 = 1	Legal process followed, leading to either a by-election or co-option. Co-option starts with an advert, acceptance of applicants, consideration of applicants and co-option at a Council meeting.	A Councillor Vacancy procedure will be adopted	Clerk and Councillors
	Losing more than five Councillors making the Council inquorate	1 x 3 = 3	Make Councillors aware of the problem and ask them to resign in sequence.	If the Council is inquorate, the District Council will take over (at the Parish's expense)	
2.7...Election Costs	Election costs restrict delivery of other services.	1 x 2 = 2	A maximum of £2000 set aside for elections each year. The Council has adequate reserves.	Review costs. Risk is higher in an election year.	Clerk

2.8...Members Interests and Code of Conduct	Conflict of Interests	1 x 1 = 1	Declarations of interest by members at Council meetings.		Councillors
	Proper conduct not understood	1 x 1 = 1	Code of Conduct adopted in April 2021 and issued to each Councillor on Election to office		
	Inadequate register of Members' interests	1 x 1 = 1	Councillors must complete a form on election which must be sent to Rother District Council for publication on their website.	Review Annually. Councillors are responsible for ensuring that their own register is kept up to date.	Councillors
2.9 Council Meetings	Recording of meetings	1 x 1 = 1	While it is legal, in accordance with the Recording of Meetings Policy, members of the public are requested to inform the Chairman if they wish to record the meeting. The Council will also make a recording if necessary.		Chairman

3. PHYSICAL EQUIPMENT AND AREAS

Subject	Risk	Likelihood x Impact	Management/Control of Risk	Review/Assess/Revise	Responsibility
3.1 Bus Shelters Udimore Road, Northiam Road, Cackle Street (Near Triple A Garage), Cackle Street (Village Green)	Low risk except for the possibility of vandalism	1 x 2 = 2	Physical condition monitored in July and results reported in September. Any reports of damage to be reported on next Agenda	Yearly Inspection by clerk or appointed Councillor	Clerk and Councillor
3.2 Benches/Seats Chitcombe Road, Broad Oak Close, Cackle Street (Roselands), Cackle Street (Village Green), Kingwood Hill (top), Kingwood Hill (bottom), Crossroads, Pottery Lane, Village Hall, Recreation Ground (Outside)	Tips over	1 x 2 = 2	All secured by bolts and screws.	Any reports of damage to be reported at next meeting.	Clerk and Councillor
	Woodwork rots, splinters or breaks	1 x 2 = 2	Annual maintenance and repair or replacements as required. Replace with composite alternatives for low maintenance.	Physical condition monitored in July and reported in September.	

3.3 Waste Bins Northiam Road, Roselands, Cackle Street (Near Triple A Garage), Chitcombe Road Crossroads, Recreation Ground	Becomes loose or tips over.	1 x 2 = 2	Posts concreted into ground. Annual maintenance and repair or replacements as required. Any reports of damage to be reported at next meeting.	Physical Condition monitored in July and reported in September.	Clerk and Councillor
3.4 Dog Waste Bins Chitcombe Road, Northiam Road, Udimore Road, Cackle Street (Roselands), Cackle Street (Near Triple A Garage), Pottery Lane.	Becomes loose or tips over	1 x 1 = 1	Installed by licenced organisation. Any damage to be reported on next Agenda	Physical Condition monitored in July and reported in September.	Annual inspection by Clerk or appointed Councillor
	Becomes unhygienic	1 x 1 = 1	Regularly emptied under contract		
3.5 Noticeboards Crossroads, Recreation Ground, Village Hall, Village Green,	Could fall if not adequately secured.	1 x 1 = 1	Posts set in concreted.	Annual maintenance and repair or replacements as required. Any reports of damage to be reported on next Agenda	Clerk and Councillors
	Poor appearance (condensation, mould) reduces use	2 x 1 = 2	Regular monitoring when clerk posts notices		
3.6 Defibrillator At Village Hall	Not useable in an emergency	1 x 1 = 1	Inspection of unit monthly or after use. Replacement of pads and batteries when out of date		Clerk
3.7 Finger Posts Pottery Lane	Rots at base and falls	1 x 1 = 1	Physical condition monitored in July and reported in September. Any reports of damage to be reported on next Agenda	Annual maintenance and repair or replacements as required.	Clerk and Councillors
3.8 Planters Crossroads (x3) Village Green (x3)	Physical damage	1 x 1 = 1	Physical condition monitored in July and reported in September. Any reports of damage to be reported on next Agenda	Repair or replacements as required.	Clerk and Councillors
3.9 Trees Village Green (x 1 oak) Recreation Ground (Various)	Risk to public from falling branches	1 x 2 = 2	Annual Tree report by qualified Arborist. Maintenance as recommended. Budget required.	Annual maintenance	Clerk

3.10 Village Sign On Village Green	Physical deterioration	1 x 1 = 1	Physical Condition monitored in July and reported in September. Any reports of damage to be reported on next Agenda	Annual maintenance and repair or replacements as required.	Clerk and Councillors
3.11 Telephone Boxes Cackle Street (Near Triple A Garage), Cackle Street (Village Green)	Become dangerous e.g. broken glass	1 x 2 = 2	Village Green box being restored by residents' group. Physical Condition monitored in July and reported in September. Any reports of damage to be reported on next Agenda	Maintenance and repair as required.	Clerk and Councillors
3.12 Community Hall site	Health and Safety	1 x 2 = 2	Hall demolished. Electrical Supply boxed and sealed, signs in place. Any reports of Tampering to be on next Agenda.	Existing procedure adequate	Clerk and Councillors
3.13 Recreation ground	Poor maintenance of play equipment leads to injury	2 x 2 = 4	Safety of play equipment assessment annually. Any reports of damage to be reported on next Agenda.	Annual maintenance and repair as required.	Clerk and Councillors
	Seats	1 x 2 = 2	See above.	See above.	Clerk and Councillors
	Field and hedgerows	1 x 1 = 1	Condition monitored in July and reported in September. Annual maintenance/cutting of hedges as required. Any reports of damage to be reported on next Agenda	(note ESCC cut the grass for the school to use for sports)	Clerk and Councillors
	Fencing and gates	1 x 2 = 2	Physical Condition monitored in July and reported in September. Annual maintenance and repair or replacements as required. Any reports of damage to be reported on next Agenda		Clerk and Councillors
3.14 Village Green	H&S e.g. slippery. Untidy, reflecting badly on the Council	1 x 1 = 1	Condition monitored in July and reported in September. Annual maintenance/cutting of grass as required. Any reports of damage to be reported on next Agenda		Clerk and Councillors

ANNEX

From the JPAG Section 5.97 -5.99

Addressing risks:

Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk, which is initiated within the organisation, is called 'internal control' and may involve one or more of the following standard responses:

- Tolerate the risk - for risks where the downside is containable with appropriate contingency plans; for some where the possible controls cannot be justified (e.g. because they would be disproportionate); and for unavoidable risks, e.g. terrorism.
- Treat the risk - a common response which can mean imposing controls so that the organisation can continue to operate; or setting up prevention techniques.
- Transfer the risk – buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.
- Terminate the activity giving rise to the risk - it may be best to stop (or not to start) activities which involve intolerable risks or those where no response can bring the risk to a tolerable level.

Areas where there may be scope to use insurance to help manage risk include the following:

- The protection of physical assets owned by the authority – buildings, furniture, equipment, etc. (loss or damage).
- The risk of damage to third party property or individuals as a consequence of the authority providing services or amenities to the public (public liability).
- The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss).
- Loss of cash through theft or dishonesty (fidelity guarantee).
- Legal liability as a consequence of asset ownership (public liability).

The limited nature of internal resources in most authorities means that those wishing to provide services often buy them in from specialist external bodies. Areas where there may be scope to work with others to help manage risk include the following:

- Security for vulnerable buildings, amenities or equipment.
- Maintenance for vulnerable buildings, amenities or equipment.
- The provision of services being carried out under agency/partnership agreements with principal authorities.
- Banking arrangements, including borrowing or lending.
- Ad hoc provision of amenities/ facilities for events to local community groups.
- Markets management.
- Vehicle or equipment lease or hire.
- Trading units (leisure centres, playing fields, burial grounds, etc.).
- Professional services (planning, architects, accountancy, design, etc.)