



COYCHURCH LOWER COMMUNITY COUNCIL

Risk Assessment 2018/19

1. RISK MANAGEMENT

Risk Management is a systematic approach to minimizing the Council's exposure to risk. A risk management system includes various policies, procedures and practices that work in unison to identify, analyse, evaluate, address and monitor risk. Risk management information is used along with other corporate information, such as feasibility, to arrive at a risk management decision. Transferring risk to another party, lessening the negative effect of risk and avoiding risk altogether are considered risk management strategies. Examples of risk management practices include purchasing insurance, installing play equipment etc.

2. IMPACT AND PROBABILITY

Probability – A risk is an event that “may” occur. The probability of it occurring can range anywhere from just above 0% to just below 100%. (Note: It can't be exactly 100%, because then it would be a certainty, not a risk. And it can't be exactly 0%, or it wouldn't be a risk.)

Impact – A risk, by its very nature, always has a negative impact. However, the size of the impact varies in terms of cost and impact on health, human life, or some other critical factor.

The Probability and Impact in the table below are shown as High (H), Medium (M) and Low (L).

The table contains five headings:

- Assets
- Internal Control
- Finance
- Compliance with Legislation
- Council



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IDENTIFIED RISK	POTENTIAL CONSEQUENCE OF RISK	ASSESSMENT OF IMPACT (H/M/L)	LIKELIHOOD OF PROBABILITY (H/M/L)	CONTROLS TO MANAGE RISK
ASSETS				
Maintain an up-to-date register of Assets and any Investments	Assets not properly reflected in Balance Sheet	H	L	A complete and up to date fixed asset register
Loss or damage of assets owned by the Council	Unable to use assets/expenses of replacement	M	L	Adequate insurance of assets/liabilities etc.
Legal liability arising from asset ownership/providing services to the public	Risk of litigation should individual become injured or third party property damaged	M	L	Public liability insurance Trustee Insurance
Council not complying with requirements as trustees of village halls	Trustees liable to legal cases and financial loss to Council Closure of hall Assets not properly protected.	H	L	Council arrange hall insurance Individual Councillors assigned to each hall to attend AGM, meetings etc. Review of Hall accounts by



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				RFO of Council Hall report at each Council meeting
Loss of cash through theft or dishonesty	Damage to Council reputation	M	L	Internal financial controls/fidelity guarantee insurance/budgetary controls/monthly Bank statements and reconciliation/transactions reported to Council at each meeting
Loss of Council Records	Loss through theft, fire and damage/Damage to Council reputation	M	M	Important papers etc. are kept in a metal filing cabinet and have online and electronic copies IT files are backed up regularly onto external hard drive
INTERNAL CONTROLS				
Business Continuity	Council/Clerk not being able	M	L	The Council has the complete



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	to carry on business			requirement of Councillors minus one and so if even more than one Councillor is not able to continue, there would be the required quorum. The Clerk has good links with other Clerks and records are kept up to date, so would be possible to get a Clerk to cover any long term absence.
Financial Procedures	Work not effected on time	M	M	Sound Financial Procedures and Policies are in place.
FINANCE				
Annual Return	Not submitted within time limit	M	L	Accounting procedures more than adequate
Risk of precept or other VOG funds being inadequate or	Council may not be able to meet its objectives due to lack of	M	L	Setting budget in support of the



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unpaid	funds			precept and monitoring of all throughout the year
Reserves	Adequacy	L	L	Current reserves more than adequate
Poor management of funds	Bank charges/loss of interest.	L	L	Budgetary control/on line Bank statement and monthly control
Expenditure being incurred which is not within legal powers available	Ultra Vires expenditure – illegal transaction/local electorate challenge/external audit investigation/public interest report	M	L	Compliance with Legislation, Monthly reporting to Council, detailed minutes, Internal & External Audit. Clerks hours and salary monitored.
VAT requirements not being met	Entitlement to reclaim VAT for a period being lost	L	L	VAT is recorded separately in cashbook, ongoing VAT returns are made once threshold met.



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COMPLIANCE WITH LEGISLATION				
Budget	Not set	L	L	Adequate Procedures in place, Budget set annually and monitored throughout year.
Employment Law requirements	Risk of legal action from an employee	H	L	Employee has a Contract of Employment
Legal Powers	Illegal activity	L	L	Adequate processes which include Standing Orders etc.
Risk of a Complaint from an elector if a contract is not fairly awarded	External auditor investigation leading to increased audit fees/public interest report/damage to Council etc.	M	L	Standing Orders and financial regulations in place dealing with the award of contracts that are regularly annually at AGM
Annual Risk Assessment	Identification of potential risks facing the Council	M	M	Up to date Risk Assessment in place, reviewed annually at AGM



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Health & Safety Legislation	Non-compliance	M	M	Adequate procedures in place and fully documented
COUNCIL				
Minutes/Agendas/Statutory Documents	Non-compliance/Accuracy/Legality	L	L	Fully documented minutes, reviewed by Council and approved at monthly meetings. Compliance with regulations re agendas, statutory documents
Members Interests	Conflict of Interest Register of Members Interests	L	L	Existing procedures adequate – kept up to date on an ongoing basis, published electronically.
Member Training	Lack of knowledge could lead to poor decision making	M	M	Training considered on an ongoing basis
Code of Conduct	Members do not adhere to The Code of Conduct	H	L	Code of conduct adopted and implemented. Codes given to



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				<p>all councillors. Clerk advises Councillors where necessary. All new Councillors are provided with copy and sign to say will adhere.</p>
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