

# Bridgnorth Town Council Risk Management Schedule

## Definition of Risk Management:

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

## Introduction:

This document has been produced to enable the Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimize them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focuses approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- Identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses and revises procedures if required

## Risk Scoring:

### Likelihood of Occurrence (L)

1. Rare: Very exceptional risks that have a <10% chance of occurrence.
2. Unlikely: A very low probability of occurrence but cannot be ruled out, 20% chance of occurrence.
3. Possible: Risks with a 50% chance of occurrence.
4. Likely: These are more likely than not to take place, 70% chance.
5. Definite: Risks that are very likely to occur. >80% chance.

### Consequences (C)

1. Insignificant: These will cause very little damage or disturbance.
2. Minor: Will result in some damage that is not likely to cause too much difference to proceedings.
3. Moderate: Risks that do not impose a large threat but still leave a noticeable amount of damage.
4. Critical: Significantly large consequences that can lead to a great amount of loss.
5. Catastrophic: Very large consequences that would halt operation for a significant amount of time and result in large losses.

| Ref No.                    | Risk   | Cause   | Impact  | Risk Score  | Current Control  | Actions   | Review                | Insurance Cover Held            |
|----------------------------|--|---|---|-------------|--|---|-----------------------|---------------------------------|
| <b>Business Continuity</b> |  |   |   |             |  |   |                       |                                 |
| 01                         | Business interruption.   | Tragic or unexpected circumstance.  | Lack of Town Council services and neglect to buildings and grounds. | 3L x 2C = 6 | Unavoidable, however business interruption insurance policy for up to 12 months (£55K) in place.   | N/A   | Annual review.        | Business Interruption Insurance |
| 02                         | Disengagement of the public.   | Poor communication or clarity.  | Loss of public support.   | 3L x 2C = 6 | Town Council website and Facebook page continually updated to inform the public of local information. Annual town meeting to discuss matters affecting the town. | Continue to engage the public in local matters.               | Continual monitoring. | N/A                             |
| 03                         | Damage to reputation.  | Poor or incorrect information, poor services and events. Poor customer service.   | Loss of Council reputation and trust.                               | 2L x 2C = 4 | Accurate information displayed in all locations. Staff undergo training.   | N/A   | Continual monitoring. | N/A                             |
| <b>Council Records</b>     |  |   |   |             |  |   |                       |                                 |
| 04                         | Significant amounts of important documents held in offices being made unavailable. | Loss through theft, fire or damage.   | Crucial information lost.   | 2L x 4C = 8 | Electronic copies are created where possible and appropriate. Important and sensitive files are kept in the strong room.   | Review archives to ensure only relevant records are retained. | Adequate provisions.  | N/A                             |
| 05                         | Large volume of electronic records being made unavailable.                         | Electrical/technical fault resulting in the loss of electronic copies of records. | Crucial information lost.   | 2L x 4C = 8 | Some documents published on website and are therefore retrievable. Regular remote maintenance and back-ups undertaken.   | Continue to back-up all important documents.                  | Adequate provisions.  | N/A                             |
| 06                         | Lack of appropriate policies.  | Failure to implement the correct and relevant policies.                           | Council not inline with legal requirements                          | 2L x 3C = 6 | All policies are reviewed annually before resolving and minuting. Any changes are made before policies   | N/A   | Adequate provisions.  | N/A                             |

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|         |                                     |   | or best course of action.   |             | are taken back to Council for approval.   |   |  |                        |
| Finance |                                     |   |   |             |   |   |  |                        |
| 07      | Adequacy of precept.                | Inadequate calculations and supporting information.                         | Dissatisfied public, under or over budgeting.                             | 2L x 3C = 6 | Sound budgeting to underlie annual precept via monthly budget updates. Councillors receive detailed reports in the Autumn followed by budget meetings from November to January. | N/A   | Reviewed annually by Internal Auditor. | N/A                    |
| 08      | Unexpected significant expenditure. | Unexpected damage, loss, events, or other large occurrences.                | Drastic affect to budget, reserves may have to be taken from other areas. | 3L x 3C = 9 | Town Council maintain sufficient balances – 3 to 12 months precept (153K to £613K). General Reserves Policy adopted by Council in December 2017.                                | Review balances as part of the annual budget process. | Reviewed annually.                     | N/A                    |
| 09      | Loss of cash.                       | Through theft or dishonesty.  | Unaccounted spending or a lack of trust between management and staff.     | 3L x 2C = 6 | £500 worth of petty cash held at a time in lockable container. Transactions are checked by Town Clerk on a monthly basis and an imprest cheque is signed at Council meetings.   | N/A   | Adequate provisions.                   | Fidelity Guarantee     |
| 10      | Loss of credit card funds.          | Through theft or dishonesty.  | Unaccounted spending or a lack of trust between management and staff.     | 3L x 2C = 6 | Corporate card is limited to £1,500 and is held by the Town Clerk. Reconciliation and payment undertaken by the RFO monthly.  | N/A   | Adequate provisions.                   | Fidelity Guarantee     |
| 11      | Loss through supplier fraud.        | Unsafe or scam websites or companies used for purchasing goods or services. | Open to data breaches and transferal of funds.                            | 2L x 2C = 4 | Purchase orders are issued and checked against, full details including VAT and trading number of the company are requested.   | Continue to use trusted suppliers.                    | Adequate provisions.                   | Town Council Insurance |
| 12      | Financial controls and records.     | Inadequate management checks.   | Issues with unaccounted for expenditure.                                  | 2L x 2C = 4 | All cheques must be signed by two Councillors, all accounts are reconciled by a Councillor each month and an Internal Auditor is appointed annually.                            | N/A   | Adequate provisions.                   | N/A                    |

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| 13        | Election costs.                       | Elections falling additionally to the normal every 4 years.          | Disruption of normal business, large cost to the Council.          | 3L x 2C = 6  | No measures that can be taken to avoid additional elections. Funds are taken from the general reserves.                         | Establish a contingency fund.   | Annual review.       | N/A                           |
| Insurance |                                       |  |  |              |   |   |                      |                               |
| 14        | Inadequacy of cover.                  | Inappropriate policy for operations of Council                       | Lack of cover for incidents that could take place.                 | 2L x 1C = 2  | Insurance is reviewed annually to decide appropriateness of policy.   | N/A   | Annual review.       | N/A                           |
| 15        | Unsatisfactory cost.                  | Large increase in premiums due to claim or other factors.            | Increase in precept or transferal from general reserves.           | 2L x 1C = 2  | Insurance is reviewed annually to find the best price for the cover needed.   | N/A   | Annual review.       | N/A                           |
| Personnel |                                       |  |  |              |   |   |                      |                               |
| 16        | Loss of Town Clerk.                   | Resignation, dismissal, retirement, illness or death.                | Tasks not being undertaken, lack of leadership for other staff.    | 4L x 3C = 12 | The job responsibilities are shared, and a current job description is available. SALC provide locum services to cover the role. | In the case of this, extraordinary Workforce Committee meetings are to be called. | Adequate provisions. | N/A                           |
| 17        | Poor decision making from Town Clerk. | Incorrect actions undertaken.  | Incorrect information spread or detrimental decisions carried out. | 1L x 3C = 3  | Town Clerk is provided with relevant training, reference books and is a member of SLCC.   | Incorporate training into annual budget.  | Annual review        | Officials Liability Insurance |
| 18        | Incorrect or absent salary payments.  | Issues with paperwork or contest over worked hours.                  | Dissatisfied employees, possible legal proceedings.                | 3L x 2C = 6  | Payroll is outsourced to Shropshire Council to ensure correct and in time BACS payments.  | N/A   | Adequate provisions. | Town Council Insurance        |
| 19        | Employment law disputes.              | Noncompliance with laws in place to protect employees and employers. | Dissatisfied employees, possible legal proceedings.                | 2L x 4C = 8  | Adequate training and advice from NALC. HR contract in place with Shropshire Council and unitary authority can provide initial  | N/A   | Adequate provisions. | Employers Liability Insurance |

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|   |                     |  |   |              | assistance under the Parish Charter.   |  |                       |                               |
| 20  | Vehicle accidents.  | Dangerous driving, road traffic accidents.                         | Injury or death.  | 2L x 5C = 10 | All drivers are registered on the insurance and only those stated can drive the Council vehicles.  | N/A  | Adequate provisions.  | Commercial Vehicles Insurance |
| 21  | Loss of staff.      | Resignation, dismissal, retirement, illness or death.              | Costs in recruiting, Council needs unmet.   | 2L x 4C = 8  | The job responsibilities are shared, and a current job description is available. Annual appraisals monitor staff welfare, training and job descriptions. | Consider implementing succession planning. | Adequate provisions.  | N/A                           |
| Assets – College House, Castle Hall, Northgate, Bridgnorth Community Hall, Severn Park, Castle Grounds, Cemetery, Public Toilets, Allotments, CCTV, Street Lights |                     |  |   |              |  |  |                       |                               |
| 22  | Damage to property. | Fire, theft, weather, flooding etc.                                | Lack of income from services. Large refurbishment costs.  | 2L x 3C = 6  | Building and contents insurance taken out and index linked.  | N/A  | Review annually.      | Property Damage Insurance     |
| 23  | Fire risk.          | Hazardous materials, electrical fault, poor care of equipment etc. | Lack of income from services. Large refurbishment costs.  | 2L x 4C = 8  | Fire risk assessment conducted.  | N/A  | Review annually.      | Property Damage Insurance     |
| 24  | Invasive species.   | Areas under our maintenance all carry a risk of invasive species.  | Areas become unusable or neighbouring areas are affected and owners claim on Council Insurance for damage caused. | 3L x 3C = 9  | Unavoidable, however regular checks are undertaken regarding the maintenance of property and grounds so any issues would be found and solved early on.   | N/A  | Continual monitoring. | Town Council Insurance        |

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| 25   | Personal injury.                        | Unsafe equipment or surroundings for the public to use or staff to operate. | Injury or death to a person.  | 2L x 5C = 10 | Regular checks carried out by Direct Labour Force. All issues reported. Buildings and parks locked either when not in use or overnight. Annual RoSPA inspection on play areas. All Direct Labour Force trained in legionella, fire risk, health & safety and machine operation. | Continual training and checks to be carried out.  | Adequate provisions. | Personal Accident Insurance |
| 26   | Loss of income in car parks or toilets. | Faulty meters due to technology failures or vandalism.                      | Loss of income to fund maintenance in these areas.                                | 2L x 4C = 8  | Regular checks carried out by Direct Labour Force. All issues reported. Cashless payments in all locations.   | Look at investing in more sufficient systems.   | Adequate provisions. | N/A                         |
| 27   | Damage to headstones.                   | Adverse weather, age of stones, vandalism.                                  | Dissatisfied public, possible injury.   | 2L x 3C = 6  | Regular inspection of the cemetery grounds.   | N/A   | Adequate provisions. | Property Damage Insurance   |
| 28   | Damage to streetlights.                 | Adverse weather, vandalism, age of lights.                                  | Dissatisfied public, possible injury.   | 2L x 3C = 6  | Not all lights are covered by insurance, however there is a contingency fund within the earmarked reserves to cover repairs.  | N/A   | Adequate provisions. | Property Damage Insurance   |
| Services – Interments, Allotments, Street Lighting, Weddings |   |   |   |              |   |   |                      |                             |
| 29   | Lack of cemetery space.                 | Space in the cemetery will eventually run out due to continual interments.  | No further income but continued expenditure for the maintenance of existing land. | 2L x 5C = 10 | Current project to acquire additional burial land. CIL funding requested to support project.  | Continue to look for suitable land and secure agreement with landowner. Lobby with central government to extend power to reuse burial ground in cemeteries. | Review annually.     | N/A                         |

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| 30        | Increase in net expenditure.                    | Falls in income, unexpected costs.                                 | Diminishing of general reserves or increase in precept.      | 2L x 3C = 6 | Fees are reviewed annually at a Town Council meeting.   | N/A   | Adequate provisions. | N/A |
| 31        | Loss of service to streetlights.                | Lapse in servicing contract.                                       | Pressure on Direct Labour Force, increased costs.            | 2L x 2C = 4 | Annual servicing contract in place. Other contractors available.  | N/A   | Adequate provisions. | N/A |
| 32        | Acquiring new services from Shropshire Council. | Shropshire Council devolving services to parish and town councils. | Pressure on precept and general reserves.                    | 3L x 3C = 9 | Asset transfers will require the inclusion of funding in order to employ extra staff or new resources.  | Formal agreements should be in place before taking on services. | Adequate provisions. | N/A |
| Liability |   |  |  |             |   |   |                      |     |
| 33        | Illegal activity or payments.                   | Decisions outside of permitted power.                              | Legal complications that could result in a loss.             | 2L x 2C = 4 | All activity or payment is made within the Town Councils general power of competency and is resolved and minuted.   | N/A   | Adequate provisions. | N/A |
| 34        | Decisions in committees or working groups.      | Decisions made outside of their range of power.                    | Legal complications that could result in a loss.             | 2L x 2C = 4 | All committees and working groups are established with a clear terms of reference.  | Continue to review terms of reference annually.                 | Monitor as required. | N/A |
| 35        | Illegality within minutes and agendas.          | Incorrect production or procedure.                                 | Decisions resolved in meetings would have no legal standing. | 2L x 2C = 4 | All minutes and agendas are produced in the prescribed method and adhere to legal requirements. Minutes are always approved and signed at the next meeting and displayed accordingly. | Maintain training for staff who deal with minutes and agendas.  | Review annually.     | N/A |
| 36        | Non-compliance with statutory requirements.     | Incorrect procedure followed.                                      | Decisions resolved in meetings would have                    | 2L x 2C = 4 | Business conducted at Town Council meetings and committee meetings is always managed by   | N/A   | Review annually.     | N/A |

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|    |  |  | no legal standing.  |             | the chairman. Members adhere to the code of conduct.  |  |                      |                        |
| 37 | Provision for freedom of information requests. | Large freedom of information requests taking a substantial amount of time. | Staff time taken off other routine tasks to provide information. Cost of resources.   | 3L x 2C = 6 | Cannot avoid freedom of information requests. The model publication scheme for Local Councils is in place and states a fee can be requested if the work is likely to take more than 15 hours. | Monitor quantity of freedom of information requests.       | Continually monitor. | N/A                    |
| 38 | Data leak.                                     | Noncompliance with data protection act and policies.                       | Sensitive information available to public. Possible legal action from those involved. | 3L x 2C = 6 | Data protection policy in place and internal procedures to report breaches. Staff are trained on the importance of data protection and all equipment has third party authentication systems.  | N/A  | Adequate provisions. | Town Council Insurance |
| 39 | Conflict of interest.                          | Members interests in matters the Town Council are concerned with.          | Bias opinions on Town Council matters.  | 2L x 4C = 8 | Councillors have a duty to declare any interest at the start of each meeting.   | Register of members interest form to be reviewed annually. | Reviewed annually.   | N/A                    |