

SUDBURY TOWN COUNCIL RISK MANAGEMENT POLICY 2021

1. Sudbury Town Council is committed to a proactive approach to risk management. The Council recognises the value of maintaining an effective risk management culture and will seek to identify, analyse, manage and control the risks it faces. The Council acknowledges that risk cannot be totally eliminated and may sometimes need to be embraced as part of an innovative approach to problem solving.

Objectives of the Risk Management Strategy:

2. To ensure that statutory obligations and policy objectives are met;
3. To prioritise areas for improvement in service provision and encourage meeting or exceeding customer and stakeholder expectations;
4. To safeguard its members, employees, clients or service users and all other stakeholders to whom the Council has a duty of care;
5. To protect its property including buildings, equipment, vehicles, knowledge and all other assets and resources;
6. To identify and manage potential liabilities;
7. To maintain effective control of public funds and efficient deployment and use of resources achieving value for money;
8. To preserve and promote the good reputation of the Council;
9. To support the quality of the environment;
10. To learn from previous threats, opportunities, successes and failures to inform future management of risks.
11. The Clerk, jointly with the Responsible Financial Officer, will review risks on a regular basis, including any newly identified risks, and will report to the Council. The review will include identification of any unacceptable levels of risk.

Risk identification and mitigation

12. Members should, therefore:

Take steps to identify key risks facing the Council.

Evaluate the potential consequences to the Council if an event identified as a risk takes place.

Decide upon appropriate mitigation measures to avoid, reduce or control the risk or its consequences.

Record any conclusions or decisions reached.

13. To identify the risks facing the council, activities are grouped into the following areas:

- a. Assets and facilities.
- b. Operations and processes.
- c. Financial operations.

14. Risk mitigation factors and approaches:

- a. Insurance cover for risk is:

Protection of physical assets: All physical assets are insured.

Office Equipment: Insured to the value of £76,516

1. ASSETS AND FACILITIES

1.1. Assets management:

- The Asset Register is reviewed annually by the Town Clerk and the Responsible Financial Officer, then members receive an updated list.
- Regular maintenance for physical assets by the Facilities Manager.
- Security for vulnerable buildings, amenities or equipment monitored by the Facilities Manager.
- Annual Review of risk and the adequacy and robustness of insurance cover by the Clerk and the Responsible Financial Officer.

1.2. Risks identification, assessment and mitigation: See Annex A

2. OPERATIONS AND PROCESSES

Risk mitigation factors and approaches:

2.1. Insurance cover:

- Public Liability: The Council has a Public Liability Insurance of £15,000,000. It has also personal accident liability cover for employees, members and volunteers under the above policy.
- Employers Liability: The Council has an Employers Liability Insurance of £10,000,000.
- Libel and Slander: Insured to the sum of £250,000
- Personal Accident: Insured to standard contingencies

2.2. Risks identification, assessment and mitigation: See Annex B

3. FINANCIAL OPERATIONS

Risk mitigation factors and approaches:

3.1. Insurance cover:

- Loss of cash: Insured up to the sum of £10,000 for cash in transit or in the Council's premises during business hours. Limited to £5,000 for cash in a locked safe at the Council's premises out of business hours.

- Fidelity guarantee: Insured to the sum of £1,000,000

3.2. Internal control

Internal control procedures are approved by the Full Council, maintained in a regular basis and reviewed annually.

3.3 Internal Audit

Independent internal auditors appointed by the Finance Committee. The internal audit procedures are conducted at least once per year. All Audit reports and recommendations are submitted to Council.

3.4. Management of financial records and operations:

Financial records and operations are conducted in accordance with the statutory requirements, Standing Orders, Financial Regulations and other regulations adopted by the Council which are reviewed at least annually.

3.5. Risks identification, assessment and mitigation: See Annex C

4. RISK MATRIX

Risks to Sudbury Town Council will be assessed using the matrix below where their likelihood and impact in the three areas of physical injury, financial loss and reputational damage, will be scored.

4.1. Probability and Impact Matrix:

Any risk scoring medium, high or very high, must have a mitigation plan to reduce the residual risk to low, very low or minimal.

Near Certain	5	Low	Medium	High	Very High	Very High
Very Likely	4	Very Low	Low	Medium	High	Very High
Likely	3	Very Low	Very Low	Medium	Medium	High
Possible	2	Minimal	Very Low	Very Low	Low	Medium
Unlikely	1	Minimal	Minimal	Minimal	Very Low	Low
		1	2	3	4	5
Injury		Shock	Minor Injury	RIDDOR	Major Injury	Fatality
Financial		Loss < £10	Loss <£100	Loss <£1,000	Loss < £10,000	Loss > £10,000
Reputation		Insignificant	Minor	Moderate	Major	Severe

Annex A - ASSETS AND FACILITIES RISKS

Risk	Risk Area	Risk identified	Probability 1 to 5	Severity 1 to 5	Original Risk Score	Management of risk	Responsibility of	Frequency of check	Risk Score after Mitigation
A1	Office assets	Loss, damage	3	3	9	Keep security doors closed & locked	Facilities Manager	Daily	2 x 3 = 6
A2	Equipment	Poor performance	2	5	10	Equipment contractors	Facilities Manager to report problem	When required	1 x 5 = 5
A3	STC building	Fire	2	5	10	Regular checks of fire alarms	Facilities Manager	Monthly	1 x 5 = 5
A4	STC building	Electric failure	2	5	10	Regular checks By electric contractors	Facilities Manager	Monthly	1 x 5 = 5
A5	Allotments	Vandalism	2	3	6	Regular checks of sites	Community Wardens	Weekly	1 x 3 = 3
A6	Cemetery	Loss	3	4	12	Strong doors and locks, with visits	Cemetery Manager	Daily	2 x 4 = 8
A7	Cemetery	Damage	3	3	9	Regular visits and inspection	Cemetery Manager	Daily	2 x 3 = 6
A8	Cemetery	Failure to fulfil contractual responsibilities by service subcontractors	2	3	6	Supervision and approval of work done. Authorisation of invoices before payment	Cemetery Manager	Monthly	1 x 3 = 3
A9	Flint Cottage	Fire / Damage	2	5	10	Inspections by Letting Agency	Letting Agents	Annually	1 x 5 = 5

A10	Market	Public liability, income and reputation	2	5	10	Daily Checks, Traders' Insurance	Market Manager	Daily, Yearly	1 x 5 = 5
A11	Sudbury Town Council building and outbuildings	Failure to fulfil contractual responsibilities by service subcontractors	2	3	6	Supervision and approval of work done. Authorisation of invoices before payment	Facilities Manager	Monthly	1 x 3 = 3
A12	Croft, Mill Acre, allotments and other open spaces	Failure to fulfil contractual responsibilities by service subcontractors	2	3	6	Supervision and approval of work done. Authorisation of invoices before payment	Community Warden Manager	Monthly	1 x 3 = 3
A13	Croft, Mill Acre, allotments and other open spaces	Injury to the public	2	5	10	Regular Checks, Yearly Asset Check	Community Warden Manager	Reactive, Yearly	1 x 5 = 5
A14	Vehicles	Loss, Damage, Accident	3	4	12	Trackers, Dashcams, Check sheets	Community Warden Manager	Daily, Weekly	2 x 4 = 8
A15	Electronic Data	Loss or compromise	3	4	12	Daily back-up / Cloud storage	Subcontracted to 3IT	Daily	1 x 4 = 4
A16	Regalia	Loss, damage	2	5	10	CCTV / alarms	Facilities Manager	Annual service / weekly checks	1 x 5 = 5
A17	Museum	Loss, damage	2	4	8	CCTV / alarms	Facilities manager	Annual service / weekly checks	1 x 4 = 4

A18	Monuments	Damage	2	5	10	Regular checks / cleaning / CCTV	Community Warden Manager	Monthly	1 x 5 = 5
A19	Street furniture	Damage Theft Injury to the public	4	3	12	Regular Checks, Yearly Asset Check	Community Warden Manager	Reactive, Yearly	2 x 3 = 6
A20	Public convenience	Damage to toilets	3	4	12	Insurance in place, regular check	Facilities Manager	Hourly	2 x 3 = 6
A21	TIC Assets	Theft, damage	2	3	6	Regular stock check	TIC Staff	Daily	1 x 3 = 3
A22	Christmas Lights	Damage, faulty, Injury to the public	2	5	10	Checking by community wardens and outsourced specialist	Community Warden Manager	Daily when the lights are up.	1 x 4 = 8

Annex B - OPERATIONS AND PROCESSES RISKS

Risk	Risk area	Risk identified	Probability 1 to 5	Severity 1 to 5	Original Risk Score	Management of risk	Responsibility of	Frequency of check	Risk Score after Mitigation
B1	Staff	Loss of key personnel	3	3	9	Hours, stress, management	HR Committee	Ongoing	2 x 3 = 6
B2	Minutes	Accurate and legal	2	3	6	Review at the following meeting	Council	Monthly	1 x 3 = 3
B3	Members' Interest	Conflict of interests	3	3	9	Update declaration of interest	Clerk	Annual	2 x 3 = 6
B4	Legal power	Ultra vires activity	2	4	8	Educate councillors as to their legal power	Council	Ongoing	1 x 4 = 4
B5	Environment	Damage	2	4	8	Supervision by Community Wardens	Community Warden Manager	Ongoing	1 x 4 = 4
B6	Provision of services at the CAP	Poor staff performance	3	3	9	Regular team meetings	Line Manager	Quarterly or as required	1 x 3 = 3
B7	Provision of services at the CAP	Security of staff	3	5	15	Alarm equipment Staff back up support	Facilities Manager / Clerk	Annual service / weekly/daily checks	1 x 5 = 5
B8	Provision of services at TIC	Poor staff performance	3	3	9	Regular team meetings	Line Manager	Quarterly or as required	1 x 3 = 3
B9	Cemetery Services	Injury to Grave Digger	2	3	6	Own insurance as contractor Grave Digger	Cemetery Manager	Annual	1 x 2 = 2
B10	Allotments Services	Neglect of plots	4	2	8	Regular supervision	Community Warden Manager	Monthly	2 x 2 = 4

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B11	Market Services	Risk of injury from moving vehicles	3	5	15	Road closure during Market	Market Manager	Weekly	1 x 5 = 5
B12	Public convenience services	Poor staff performance Injury to the public	2	3	9	Training of staff	Facilities Manager	Annual	2 x 2 = 4
B13	STC events	Injury to the public Damage	3	3	9	Supervision by Event Co-ordinator	Events Co-ordinator	Ongoing	1 x 3 = 3

Annex C - FINANCIAL OPERATIONS RISKS

Risk	Risk area	Risk identified	Probability 1 to 5	Severity 1 to 5	Original Risk Score	Management of risk	Responsibility of	Frequency of check	Risk Score after Mitigation
C1	Financial Operations	Fraud	2	5	10	Fidelity guarantee value	Council	Monthly	2 x 3 = 6
C2	Precept	Claim not submitted	2	5	10	Full TC minute	RFO check	Annual	1 x 5 = 5
C3	Precept	Not received Not fully received	2	5	10	Check and verify the reason	RFO	Annual	1 x 5 = 5
C4	Financial Operations	Human error	4	3	12	Records checking; staff training	RFO Internal control	Daily monthly	1 x 5 = 5
C5	Cash	Loss through theft, error or dishonesty	3	2	6	Fidelity guarantee value, cash register, records checking.	RFO	daily	2 x 2 = 4
C6	Financial Records	Inadequate records	2	3	6	Reconciliation of all Balance Sheet items, Staff training, Internal control, internal audit	RFO Internal Control Internal Auditor External Auditor	Monthly Monthly Annual	1 x 3 = 3
C7	Financial investments	Security of invested capital	2	5	10	Risk assessment measures as per Treasury Management Strategy Statement	RFO	Quarterly	1 x 5 = 5

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C8	Borrowing	Adequacy of finance to repay the loan	2	2	4	Financial review	RFO	Monthly	$1 \times 2 = 2$
C9	Direct costs	Incorrect invoice	2	3	6	Order system	RFO	Daily	$1 \times 3 = 3$
C10	Direct costs	Incorrect payment	2	3	6	2 signatories, Invoice check	Councillors RFO	Daily	$1 \times 3 = 3$
C11	Sales	Uncollected	2	3	6	Cash through the till Trade Debtors	RFO check and report to Fin. committee	Daily Monthly	$1 \times 3 = 3$
C12	Salaries	Incorrect payment	3	2	6	Check to contract and timesheet Timesheet approval	RFO Deputy Town Clerk	Monthly	$2 \times 2 = 4$
C13	Grants	Power to pay	2	2	4	Minutes	RFO/Members	Annual	$1 \times 2 = 2$
C14	VAT recoverable	Incorrect claim	3	3	9	Check to bookkeeping records; Staff training	RFO Internal Audit	Quarterly Annual	$2 \times 3 = 6$
C15	Reserves	Adequacy	2	4	8	Set by the Finance Committee	RFO/Members	Annual	$1 \times 4 = 4$
C16	Earmarked reserves	Adequacy	2	4	8	Planned by the Clerk and approved by the Finance Committee	RFO/Members	Annual	$1 \times 4 = 4$