

# YEOVIL TOWN COUNCIL



## RISK STRATEGY

### 1. Introduction

The Council delegates the carrying out of its risks assessments to the Policy, Resources and Finance Committee under Local Government Act 1972 (S101). The risk assessment is normally carried out in January each year. The current form of the risk assessment is a policy document identifying how the Council will deal with each type of risk, but risks are not scored for likelihood and impact, making it more difficult for the Council to ensure that it is focussing its attention on managing the most important risk.

Where a committee considers the risk assessment under delegated powers, the full Council must specifically review, and minute the review, of the risk assessment (rather than simply adopting the minutes of that Committee including all recommendations).

### 2. Risk Management Strategy

Yeovil Town Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. The Town Council will take any action that is deemed necessary.

The Town Clerk reviews risks on a regular basis, including any newly identified risks, and will report on such matters to the Policy, Resources and Finance Committee. The review will include identification of any unacceptable levels of risk.

The Guidance on Governance and Accountability for Local Councils in England (published by the Joint Practitioners' Advisory Group) makes the following observations regarding risk management:

- Risk management is not just about financial management: it is about ensuring the achievement of objectives set by the council to deliver high quality public services; and
- The local council audit approach seeks to encourage local councils to address these issues by placing emphasis on the need to keep under review and, if need be, to strengthen their own corporate governance arrangements, thereby improving their stewardship of public funds and providing positive and continuing assurance to taxpayers

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Therefore each year Members should:

- take steps to identify and update their record of key risks facing the Council;
- evaluate the potential consequences to the Council if an event identified as a risk takes place (in terms of likelihood and impact);
- decide upon appropriate measures to avoid, reduce or control the risk or its consequences; and
- record any conclusions or decisions reached.

### 3. Assessment of Risk

Each risk will be assessed in terms of its likelihood and impact on the Council.

#### Likelihood

|   |                | Probability | Possible Indicators   |
|---|----------------|-------------|-----------------------|
| 4 | Almost Certain | > 90%       | Frequent occurrence   |
| 3 | Likely         | > 60%       | Regular occurrence    |
| 2 | Possible       | > 10%       | Occasional occurrence |
| 1 | Unlikely       | < 10%       | Has never occurred    |

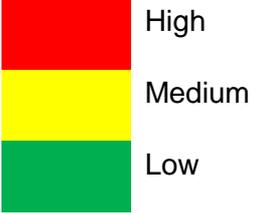
#### Impact

|   |             | Risk Threat  |
|---|-------------|--|
| 4 | Major       | Financial Impact > £500,000<br>Fatality/disabling injuries to public or staff / adverse national media attention / external intervention / total service disruption / extensive legal action against the Council   |
| 3 | Serious     | Financial Impact > £250,000<br>Adverse local media attention / extensive public complaints / adverse comments by regulators or auditors / significant service disruption / failure to deliver projects or targets / service disruptions / injuries to public or staff / legal action against the Council |
| 2 | Significant | Financial Impact > £50,000<br>Adverse service users complaints / service disruption / minor injuries and near misses to staff and public   |
| 1 | Minor       | Financial impact less than £5,000 / isolated complaints / minor service disruption   |

#### 4. Risk Matrix

|            |   |   |   |    |    |
|------------|---|---|---|----|----|
|            | 4 | 4 | 8 | 12 | 16 |
|            | 3 | 3 | 6 | 9  | 12 |
|            | 2 | 2 | 4 | 6  | 8  |
|            | 1 | 1 | 2 | 3  | 4  |
| Likelihood |   | 1 | 2 | 3  | 4  |
|            |   | 1 | 2 | 3  | 4  |

Impact



A legend to the right of the matrix shows three colored boxes: a red box labeled 'High', a yellow box labeled 'Medium', and a green box labeled 'Low'.

The key risks for the Council are assessed for impact and likelihood (using the criteria listed above); so that risks are identified as low, medium or high.

Controls are then identified in order to mitigate the risk. It is anticipated that the risk will be reviewed annually unless there is a change in intelligence. The table also assigns responsibility to the Town Clerk and the appropriate committee.

## 5. Risk Register

| Ref           | Risk  | Impact | Likelihood | Level  | Controls   | Review       | Responsibility                     |
|---------------|---|--------|------------|--------|--|--------------|------------------------------------|
| <b>ASSETS</b> |   |        |            |        |  |              |                                    |
|               | Protection of physical assets                             | 3      | 2          | Medium | Asset Register updated annually, with any changes through additions and disposals updated on an adhoc basis. This is presented to Council annually with Annual Accounts. Regular inspection of properties under the Council's direct management. Maintenance of buildings, sites and equipment is undertaken on a planned and responsive basis. Playground equipment is checked and maintained independently by South Somerset District Council on a weekly basis. Yeovil Cemetery is checked and maintained by Cemetery workforce. Insurance cover reviewed annually, with any changes through additions and disposals updated on an adhoc basis. Currently insured with Zurich Municipal. Recommendations as necessary to Policy, Resources and Finance Committee to update cover. | January 2020 | Town Clerk/<br>Relevant Committees |
| 2             | Security for vulnerable buildings, amenities or equipment | 3      | 2          | Medium | Appropriate security devices are fitted to all of the Council's buildings and linked as necessary, to a central control station. Designated staff are responsible for the security of these buildings. Code required to enter the back offices of Town House. In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Crime reports are obtained for all breaches of security by contacting Avon and Somerset Constabulary.   | January 2020 | Town Clerk/<br>Relevant Committees |

|                |  |   |   |        |   |              |                                       |
|----------------|--|---|---|--------|---|--------------|---------------------------------------|
| 3              | Maintenance for vulnerable buildings, amenities or equipment | 3 | 2 | Medium | All premises are maintained within the approved budget. Maintenance is undertaken in-house where possible and external contractors used as required. Issues found are addressed as appropriate.   | January 2020 | Town Clerk/<br>Relevant<br>Committees |
| 4              | Provision of amenities/facilities for local community groups | 3 | 2 | Medium | The council has approved the hire of Monmouth and Milford Community Halls, and the Town House on a charge basis. Conditions relating to the use of these premises have been adopted by the Council. Conditions of hire have been reviewed that will assist in safeguarding the Council's assets | January 2020 | Town Clerk/<br>Relevant<br>Committees |
| <b>FINANCE</b> |  |   |   |        |   |              |                                       |
| 5              | Banking arrangements   | 3 | 1 | Low    | Reviewed periodically by Policy, Resources and Finance Committee. All cheques require two Members' signatures. The Policy, Resources and Finance Committee review all payments and income following their consideration by the service committees.  | January 2020 | Town Clerk<br>/ PR&F                  |
| 6              | Protection of Investments                                    | 3 | 1 | Low    | An investment register is reviewed on a monthly basis.  | January 2020 | Town Clerk<br>/ PR&F                  |
| 7              | Consequential loss of income                                 | 3 | 1 | Low    | Insurance cover (to cover loss of income and relocating office). Computers backed up daily and weekly backups sent off site.  | January 2020 | Town Clerk<br>/ PR&F                  |
| 8              | Loss of cash through theft or dishonesty                     | 1 | 1 | Low    | Fidelity Guarantee cover up to £2 million for employees and members   | January 2020 | Town Clerk<br>/ PR&F                  |
| 9              | Financial controls and records                               | 3 | 1 | Medium | Financial Regulations in place. Two signatories on cheques. Internal and external audit.  | January 2020 | Town Clerk<br>/ PR&F                  |
| 10             | Comply with HMRC Regulations                                 | 2 | 1 | Low    | VAT payments and claims calculated by Finance Officer and checked by RFO. Internal and external auditor to provide assurance.   | January 2020 | Town Clerk<br>/ PR&F                  |

|                    |  |   |   |        |  |              |                                 |
|--------------------|--|---|---|--------|--|--------------|---------------------------------|
| 11                 | Sound budgeting to underlie annual precept                               | 3 | 2 | Medium | Working party to go through budgets in detail. All Committees consulted. Policy, Resources and Finance Committee recommend budget to Council. Expenditure against budget reported to Policy, Resources and Finance Committee on a regular basis.   | January 2020 | Town Clerk / PR&F               |
| 12                 | Complying with borrowing restrictions                                    | 1 | 1 | Low    | No new borrowing likely at present.  | January 2020 | Town Clerk / PR&F               |
| 13                 | Ensuring robustness of insurance providers                               | 4 | 1 | Low    | There are two main insurers for local councils – Zurich Municipal and AON. The Council currently Zurich Municipal. Regular checks are carried out to ensure that the company is sufficiently robust.   | January 2020 | Town Clerk / PR&F               |
| 14                 | Clear statements of management responsibility for each service           | 2 | 1 | Low    | Under the Council's Scheme of Delegation, each of the service committees and the Policy, Resource and Finance Committee have delegated management responsibility for their own budget. Expenditure and income reported to each committee meeting with an Outturn report at the end of the financial year.                  | January 2020 | Town Clerk / PR&F               |
| <b>PROCUREMENT</b> |  |   |   |        |  |              |                                 |
| 15                 | Awarding of contracts for services and the purchase of capital equipment | 4 | 1 | Low    | The Financial Procedures have been refreshed to provide for procurement.   | January 2020 | Town Clerk / PR&F               |
| 16                 | Professional services and contractors                                    | 3 | 1 | Low    | The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) the provider of any professional services it requires. Where necessary, all prospective contractors are required to provide references of other originations for which they have recently undertaken similar work. | January 2020 | Town Clerk/ Relevant Committees |
| <b>LIABILITY</b>   |  |   |   |        |  |              |                                 |

|                           |   |   |   |        |  |              |                                    |
|---------------------------|---|---|---|--------|--|--------------|------------------------------------|
| 17                        | Risk of damage to third party property or individuals/Legal liability                           | 3 | 2 | Medium | Public Liability Insurance £15 million – covering personal accident liability for employees and members. Open spaces checked regularly. Risk assessments of individual events such as Christmas lights carried out as necessary.   | January 2020 | Town Clerk/<br>Relevant Committees |
| 18                        | Legal liability as consequence of assets ownership (especially burial ground, playgrounds etc.) | 4 | 2 | Medium | Insurance in place. Regular inspection of properties under the Council's direct management. Maintenance of buildings, sites and equipment is undertaken on a planned and responsive basis. Playground equipment is checked and maintained independently by South Somerset District Council on a weekly basis. Yeovil Cemetery is checked and maintained by Cemetery workforce. | January 2020 | Town Clerk/<br>Relevant Committees |
| <b>EMPLOYER LIABILITY</b> |   |   |   |        |  |              |                                    |
| 19                        | Comply with Employment Law  | 2 | 2 | Low    | Town Clerk is a member of SLCC.  | January 2020 | Town Clerk / PR&F                  |
| 20                        | Comply with Inland Revenue requirements   | 2 | 1 | Low    | Internal and External auditor carry out checks.  | January 2020 | Town Clerk / PR&F                  |
| 21                        | Safety of Staff and visitors  | 2 | 1 | Low    | Visitors book to sign in and out. Camera fitted at front desk of Town House. Regular risk assessments  | January 2020 | Town Clerk / Council               |
| 22                        | Recognise and accepts responsibility as employer  | 3 | 2 | Medium | Policy and Procedures in place and regularly reviewed.   | January 2020 | Town Clerk / Council               |
| 23                        | Maintenance Operative Safety  | 2 | 2 | Low    | Lone working policy that all staff members are aware of. Key duties risk assessed.   | January 2020 | Town Clerk / Council               |
| <b>STAFFING</b>           |   |   |   |        |  |              |                                    |
| 24                        | Staff Cover   | 3 | 2 | Medium | All key duties can be covered. Annual Leave is co-ordinated to ensure the office can be covered at all times.  | January 2020 | Town Clerk / PR&F                  |
| 25                        | Staff Retention   | 3 | 2 | Medium | A learning and developmental organisation.   | January 2020 | Town Clerk / PR&F                  |

| <b>LEGAL LIABILITY</b>   |  |   |   |        |  |              |                      |
|--------------------------|--|---|---|--------|--|--------------|----------------------|
| 26                       | Ensuring activities are within legal powers              | 3 | 1 | Low    | Clerk to clarify legal position of any new proposal and seek legal advice where necessary.   | January 2020 | Town Clerk / PR&F    |
| 27                       | Proper and timely reporting via the Minutes              | 1 | 1 | Low    | Council meets regularly, committees meet at least 6 times a year. Minutes are distributed in a timely fashion and approved and signed at following meeting. Minutes are made available to the press and public.  | January 2020 | Town Clerk / PR&F    |
| 28                       | Proper document control                                  | 2 | 1 | Low    | Land and buildings registered at Land Registry. Comprehensive filing system holding all relevant documents. Use of fireproof cabinet where relevant. Document Retention Policy                                   | January 2020 | Town Clerk / PR&F    |
| 29                       | Breach of personal data                                  | 3 | 2 | Medium | Data Protection Policy in place. Staff kept up to date with changes in legislation and requirements. Registered with Information Commissioners Office. CCTV which records voices with notification in reception. | January 2020 | Town Clerk / PR&F    |
| <b>COUNCIL PROPRIETY</b> |  |   |   |        |  |              |                      |
| 30                       | Register of Interests and gifts and hospitality in place | 2 | 2 | Low    | Register of interest completed annually and amended throughout year as necessary. Gifts and hospitality register. Declarations of interests made when appropriate at all meetings.                               | January 2020 | Town Clerk / Council |

Yeovil Town Council  
31<sup>st</sup> January 2019

To be reviewed: January 2020