



PERRY PARISH COUNCIL

RISK MANAGEMENT



NOTE:

The SORP regulations (Statements of Recommended Practice) require that a Council should include in its Annual Report and Accounts “a statement confirming that the major risks to which the Council is exposed, as identified by the Councillors, have been reviewed and systems have been established to mitigate those risks”.

The following lists all identifiable risks and the preventative measures taken and recommended to minimize these.

CODE: R = Risk PA = Preventative Action

Legal Requirements

- R1 Appointing a Councillor who is disqualified from being a Councillor under legislation; allowing a Councillor to remain in position when disqualified; acting as a Councillor when disqualified.
- PA1 All Councillors must sign a declaration confirming that they are not disqualified from serving upon appointment. The declaration should be re-issued every three years.*
- R2 Failing to adequately understand the business of the Council and therefore failing to act in the interests of the Council.
- PA2 All newly appointed Councillors should have both verbal and written explanations of the objectives and working methods of the Council.*
- R3 Failing to manage the financial affairs of the Council.
- PA3 Operational and Policy decisions may only be made in accordance with Council Standing Orders. The Councillors must appoint appropriately qualified companies, professional advisers and employees to handle accounting and financial matters.*
- R4 Failing to take the best action for the needs of the Council due to conflict of interests.
- PA4 Councillors should declare any personal or business interests before any discussion leading to a decision to make a loan or appoint a contractor or supplier.*

Financial Risks Investment & Income

- R1 Liquidation or suspension of fund Management Company or bank.
- PA1 The Council must ensure that fund managers are appropriately regulated.*
- R2 Stock Market downturn.
- PA2 The Council must act on the professional advice of fund managers and stockbrokers. The Council should ensure it has a sensible spread of holdings.*
- R3 Fraud/Money laundering/other civil or criminal activity by fund management company.
- PA3 Act promptly to lobby against proposed negative changes and plan for what to do should legislation be changed.*

Accounting

- R1 Fraudulent, malicious, wilful or inadvertent poor accounting by Councillors and/or employees.
- PA1 When appointing Councillors and employees, references (verbal or/and written, and qualifications will be taken up and checked; criminal record checks will also be carried out if considered appropriate. There is a signing limit on cheques for Councillors. Checks and Balances are in place between accounts. Councillors examine management accounts on a regular basis. The annual audit is carried out by external auditors.*
- R2 Annual Report and Accounts
Failure to comply with SORP requirements or Companies Acts by:
Not including all required information
Not having properly audited accounts
Not producing accounts within given time limit
- PA2 Councillors must be aware of requirements for Annual Report and Accounts. Regular meetings with the Internal and External Auditors to agree what is required for the Report. Working out an appropriate time schedule for the production of the Report.*

Professional Risks

- R1 Misconduct or negligence of Councillors
- PA1 All major decisions are made in committee and not by an individual acting alone.*
- R2 Misconduct or negligence of employees.

- PA2 References for all new employees should be taken up and any professional qualifications checked. New employees will sign a declaration confirming their right to work in the UK; the accuracy of information on previous employment; academic and professional qualifications; personal and business bankruptcy; current and spent criminal convictions. Failure to be able to comply with the conditions or making a false declaration will constitute grounds for gross misconduct and summary dismissal.*
- R3 Conflict of interest by Councillors, advisers or employees.
- PA3 Councillors, external professional advisers and employees should declare any material interest they may have in applications being considered by the Council or contracts being entered into with external suppliers / contractors. The Council should decide whether or not that person can be involved in the decision-making procedure on that issue.*

Health & Safety

- R1 Injury to or death of Councillors or Employees or Members of the public on Council owned property.
- PA1 The Health & Safety Policy document identifies risks and the steps Councillors and employees must take to minimize the risks. Annual check of all Council property by the Clerk or nominated Council Member. The Council is to hold Public Liability Insurance cover at all times.*
- R2 Council sued by statutory authority for failing to comply with Health & Safety legislation.
- PA2 The Parish Clerk will use his/her best endeavours to remain abreast of Health & Safety legislation and Approved Codes of Practice (ACP) changes and to ensure that any necessary changes are made to the Council's operational procedures.*

Staffing Issues

- R1 Employee sues Council for:-
Unfair dismissal; other breach of Terms & Conditions of employment or contract of
Employment.
And/or Discrimination.
- PA1 Employees are issued with Terms and Conditions of Employment. The Council must adhere to these in their dealings with the employee. Where a case of dismissal arises, whether as a result of misconduct or poor performance or redundancy, the Council will take advice from its legal advisers before taking action following the advice given.
All documents relating to a dismissal will be retained.
All Councillors and employees are aware of their obligations under Equal Opportunities legislation. Where there is any doubt regarding the handling of an issue, professional advice will be sought first.*
- R2 Third Party Claim for incorrect or misleading references supplied by the Council.

PA2 Only the Chairman of the Council may supply references. These will be written in accordance with best practice relating to references, referring only to matter of fact. Additional professional advice will be sought in cases of doubt.

R3 Redundancy Expenditure.

PA3 The Council will, at all times, retain in its reserves sufficient funds to pay any redundancy payments for which it may be liable.

R4 Slander & Libel

PA4 Councillors and employees must be aware of their obligations to the Council regarding slander and libel. The Council has limited insurance for slander and libel actions.

Data & Computers

R1 Breaches of the Data Protection Act Regulations – general.

PA1 The Council has registered under the terms of the Data Protection Act with the Office of the Information Commissioner and has, therefore, agreed to be bound by its rules. It will act to change any systems when notification of any changes to the regulations is received.

Review

The Council will review its Risk Management annually.

THIS RISK MANAGEMENT DOCUMENT WAS ADOPTED BY THE COUNCIL AT ITS MEETING HELD ON 5th May 2021 Minute Reference 21/39.4