ANDOVER TOWN COUNCIL

RISK MANAGEMENT SCHEME

It is acknowledged that are different types of risk present which affect the council's ability to perform its objectives. In accordance with the Governance and Accountability for smaller authorities in England, and the Practitioners Guide dated March 2022, the council have set out a scheme for the management of all risk.

1. **IDENTIFICATION. -** Risks that have been identified for the Council are:

Financial	Loss or theft of money or income
Security	Fraud, theft
Property	Damage to property
Legal	Breaking the law or being sued
IT	Failure of IT system or mis-use
Reputational	Any action that could be taken which would harm the authority's public reputation

2. **ASSESSING THE RISK. -** A matrix is used to identify assess the risk. All our risk assessment templates use the below methodology.

Hazard Severity (Impact)		
1	**Nil**	Trivial or insignificant harm to persons, property or business activities
2	**Slight**	Causing minor harm allowing work / activities to continue
3	**Moderate**	More Serious, capable of resulting in 3 or more days off work for one or more individuals, or property damage resulting in a temporary interruption to business activities with some financial loss.
4	**High**	Possible fatality or serious injury to an individual. Longer term interruption to business and/or high financial costs.
5	**Very High**	Multiple fatality and/or destruction to work environment. Long term or permanent business interruption and/or very high financial costs.

Likelihood of Occurrence (Odds)		
1	**Not likely**	There is no real likelihood of it occurring.
2	**Possible**	Possible occurrence, but potential is minimal.
3	**Quite Possible**	Incident will only happen if several factors are present.
4	**Likely**	Regular incidents occur, but no injury. May result in injury with additional factors introduced.
5	**Very Likely**	Almost 100% certainty that an incident will occur, or it is a common occurrence.

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A risk factor can be found using the equation, ranging from 1 (no severity and unlikely to happen) to 25 (just waiting to happen with potentially disastrous results). However, it is important to judge both the severity and the likelihood independently. Having identified the numerical risk factor, the 'risk matrix' will help determine the urgency of the action.

RISK ASSESSMENT MATRIX.

Likelihood (ODDS)	Hazard Severity (IMPACT)				
	1	2	3	4	5
	2	4	6	8	10
	3	6	9	12	15
	4	8	12	16	20
	5	10	15	20	25

1-5	Low Risk	Tolerable	Little or no action required
6-9	Medium Risk	Unacceptable	Some action required and monitor during event.
10-25	High Risk	Unacceptable	Urgent action required. Stop process. Compensatory measures / new procedures must be put in place within 24hrs. Resolving the issue may take longer, but must be in hand. (People may need to be removed from the risk whilst it is assessed.)

3. **ADDRESSING THE RISK.** Once a risk has been identified, there are four courses of action that can be followed:

Tolerate the risk	1.	Where risk is low or can be contained by a simple contingency plans
	2.	Where controls are not proportional to the risk
	3.	Where risk is unavoidable. (Terrorism.)
	4.	Where the activity is important to the community and risk can be accepted
Treat the risk	1.	Introduce controls or procedures
	2.	Delegate to staff
	3.	Implement councillor scrutiny
	4.	Setting up prevention techniques
Transfer the risk	1.	Buying in service from a specialist
	2.	Sub contract
	3.	Take professional advice
	4.	Taking insurance to cover the risk
Terminate the risk	1.	Stopping the activity or not starting where the risk is intolerable.

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4. **REPORTING THE RISK.** Once actions have been decided they must be documented, as this allows for future reviews.

Risks that have been identified as being applicable to ANDOVER TOWN COUNCIL are listed below. Councillors and the public are asked to let the Clerk know if they become aware of any other situation that should be considered.

FINANCIAL RISK											
Risk	**Result**	**Impact score**	**Odds**	**Risk Score**	**Action required**				**Mitigation of Risk / control measures**	**Target date**	**By whom**	**Risk after action**
					Tolerate	Treat	Transfer	Terminate				
Theft of cash income from allotment rents.	Council do not receive income / plot holders are asked to pay twice.	2	2	4	✔	✔			Encourage Bank Transfers instead of cash receipts. Require copies of receipts to be issued immediately for cash payments. Ensure that two officers are part of the collection process.	Constant	RFO Allotment officers	Low
Theft of cash from bank	Council may not have enough funds to operate	4-5	2	10		✔	✔		Insurance - officer / member theft. (Fidelity Guarantee) Ensure banking strategy requires dual signature of councillors	Constant	RFO & DRFO Councillors SIGNATORIES	Low
Other financial fraud		4	2	10		✔			Compliance with the council's Financial Risk Assessment.	Constant review of compliance Annual review of RA.	RFO & DRFO Councillors SIGNATORIES	Low
Precept / Budget miscalculation	Inadequacy of precept for council to carry out their Statutory Duties or contracts/projects due to overspending.	5	2	10		✔			Monthly budget reviews and draft budgeting for possible projects in the coming financial year. Precept amount is requested in writing and visible on all budget reports. Contracts are checked before payments are made.	The Budget to be reported to every Policy and Resources Committee and Council meeting	RFO & Councillors	Low
Contracts are entered into unfairly.	Risk of penalties or litigation.	3	2	6		✔			Ensure 3 quotations are received for most expenditure. Consideration of contract tendering procedures and legal requirements.	As necessary	RFO	Low
Inept Contract management	Waste of Council funds	3	2	6		✔			Constant review of contracts questioning "Value for money and are we getting what we paid for?"	Immediate	RFO	Low
Salary paid incorrectly; Funds owed to HMRC.	Employee overpaid and difficult to recover tax.	2	2	4		✔	✔		Third party contractor to provide calculations. Auditor to check the payslips twice a year.	Monthly	RFO / Auditor	Low
Financial institution holding council funds collapses	FSCS	3	2	6		✔			Spread funds across multiple institutions to keep below the £85,000 insurance limit per institution.	ASAP	RFO	Low
FSCS	Monitor budget level to keep the compensation scheme active (£490,000 – to check)	4	2	8		✔			Monitor budget levels.	As necessary	Town Clerk/RFO	Low

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Risk	Result	Impact score	Odds	Risk Score	Action required				Mitigation of Risk / control measures	Target date	By whom	Risk after action
					Tolerate	Treat	Transfer	Terminate				
Fraud by staff.	Financial loss.	2	2	4		✔			P+R Committee Chairman to verify receipts against entries in the accounting system.	As necessary	RFO / Chairman	Low
Election costs	Unexpected expenditure	3	1	3	✔				Build yearly EMRs to account for 4 yearly Election costs. Other election costs to come from General Reserves.	Immediate	RFO	Low
VAT not claimed/paid correctly	Loss of reserves and overspend for year	3	2	6		✔			Add to Clerk's "to do list" so this is not forgotten and performed after bank reconciliation.	Monthly	RFO and Councillors	Low
Insurance pay-out insufficient	Loss of reserves or bankrupting of council.	5	2	10		✔			Insurance schedule to be reviewed and summarised annually for the May meeting and minuted as such.	Annual meeting as per Standing Orders.	Clerk and Full council.	Low
Loss of Financial records	Inability to comply with legal requirements.	4	2	8		✔			All Financial data from the Accounting package is backed up in the Cloud.	Daily	RFO	Low
SECURITY RISK												
Risk	**Result**	**Impact score**	**Odds**	**Risk Score**	**Action required**				**Mitigation of Risk / control measures**	**Target date**	**By whom**	**Risk after action**
					Tolerate	Treat	Transfer	Terminate				
Loss of office entry access card.	Inability to access certain paper records for a period of time.	2	2	4		✔			Ensure that all Staff have their own key.	Already active.	Town Clerk	Low
Loss of office entry access card.	Unauthorised access for person who finds it.	2	2	4		✔			Keep a log of access cards and ensure that they can be cancelled quickly if lost.	Active	Town Clerk	Low
Loss of IT Passwords	Access to bank accounts Access to social media Access to sensitive documents Breach of GDPR	3	3	9		✔			More than one user with access.	Active	Town Clerk	Low
Assets lost/damaged from burglary.	Unexpected expenditure for replacement / repair	2	2	4			✔		Insure against accident damage or theft.	Annual	RFO	Low
Terrorist action at events	Loss of life and injury to public, staff, members and volunteers	5	1	5		✔			Ensure this is considered in event risk assessments and procedure added to all Event Management Procedures	Active	Community and Events Officer	Low
MANAGEMENT												
Risk	**Result**	**Impact score**	**Odds**	**Risk Score**	**Action required**				**Mitigation of Risk / control measures**	**Target date**	**By whom**	**Risk after action**
					Tolerate	Treat	Transfer	Terminate				
Loss of Town Clerk or other staff. (resignation, illness or death)	Business continuity compromised	4	3	12		✔	✔		Insure for temporary cover by locum Ensure Staff's terms are favourable to guard against a reason for leaving. Appraisals and pay reviews and support training. Job shadowing and knowledge sharing processes.	Annual	RFO HR Committee	Low
Loss of Financial records	Inability to comply with legal requirements.	4	2	8		✔			Ensure backups are taken regularly.	Monthly	RFO	Low
Bank errors	Loss of funds	2	1	2		✔			Monthly (minimum) bank reconciliation	Monthly	RFO	Low

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Insufficient banking signatories	Unable to approve payments	4	2	8		✔			Encourage councillors to become signatories to review the bank account and authorise payments.	When new councillors are co-opted	RFO	Low
Audit not completed	Non-compliance with statutory dates	2	2	4		✔	✔		Town Clerk to prioritise at Year End. Schedule Audit dates with Auditor WAY in advance.	Dec each year.	RFO / Auditor	Low
Annual return issues	Incorrect or late submission	4	2	8		✔	✔		AdvantEDGE Accounts package provides a printout of data. Auditor reviews and checks data	Early April annually	RFO and Auditor	Low
Councillor Loss (resignation)	In quorate and unable to meet.	4	2	8		✔			Ensure Councillors feel valued and satisfaction in projects. Maintain community engagement to ensure new councillors can be co-opted.	Constant	Full Council and Clerk.	Low
Neurodiverse Members/Staff	Not making reasonable adjustments which result in the individual being unable to fulfil their role, or resulting in public, fellow members or reputation being impacted.	3	2	6		✔			Ensure that open discussions regarding adjustments are had with any individual that makes the Clerk aware that they have additional needs. Agree reasonable adjustments and implement.	Constant	Full Council and Clerk	Low
Devolution - failure to engage constructively with the process	will result in a missed opportunity to keep decision making local impacts on ATC's role, responsibilities, budgets and staffing levels	4	3	12	✔				Set up a Working Group to manage expectations and involvement in the process.	Constant	Clerk and Working Group	Low
LGR - failure to engage constructively with the process	will result in a missed opportunity to keep decision making local impacts on ATC's role, responsibilities, budgets and staffing levels	4	3	12	✔				Set up a Working Group to manage expectations and involvement in the process.	Constant	Clerk and Working Group	Low
PROPERTY RISK												
Risk	**Result**	**Impact score**	**Odds**	**Risk Score**	**Action required**				**Mitigation of Risk / control measures**	**Target date**	**By whom**	**Risk after action**
					Tolerate	Treat	Transfer	Terminate				
Theft or damage to IT equipment or other assets	Complete loss of data and records, inability for Council to function.	5	2	10			✔		Ensure that items are insured by Council insurance policy. Data stored in the Cloud via Microsoft.	Annually 24/7 back ups	Clerk	Low
	Cost of replacement	3	2	6		✔	✔		Asset register compared with insurance cover	Annually		Low
Meeting location – adequacy	Inability to hold lawful meetings if exceptionally large numbers of the public arrive.	3	1	3	✔				It is very unlikely that the capacity of the Guildhall will be exceeded. In this case the meeting would be adjourned and perhaps rescheduled for an outdoor meeting.	Monthly	Clerk	Low
Meeting location – Health & Safety	Inaccessible for mobility impaired attendees. Non-compliance with legislation.	2	2	4		✔	✔		Check that disabled access and facilities are available. Risk Assessments for Council use of the two premises to be written.	Annually	Clerk and Full Council.	Low
Assets failing due to lack of maintenance,	Litigation Premature replacement costs.	4	2	8		✔	✔		Regular review of allotment equipment by wardens Yearly PAT test of electrical equipment Maintenance costs to be budgeted	Monthly Annually Annually	Clerk and Councillors	Low

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leading to loss or injury.												

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LEGAL / LIABILITY												
Risk	**Result**	**Impact score**	**Odds**	**Risk Score**	**Action required**				**Mitigation of Risk / control measures**	**Target date**	**By whom**	**Risk after action**
					Tolerate	Treat	Transfer	Terminate				
Unlawful decisions or payments	Reporting to Monitoring officer or being sued.	5	1	5	✔	✔			Town Clerk prepares agenda bearing in mind decisions to be taken and ensuring no decision would be ultra vires. No decisions are taken at meetings without being on the agenda. Councillors training and Clerk training	Monthly Annually	Clerk Clerk and Councillors	Low
Minutes – inaccuracy	Decisions not recorded. Interests not recorded. Resolutions not actioned	4	2	8		✔			Officer's training and considered agenda drafting.	Monthly	Clerk	Low
Agendas – legality	Legal challenge of decisions. Accusations of non-transparency	4	2	8		✔			Town Clerk's training and considered agenda drafting.	Monthly	Clerk	Low
Notices – timely publication	Legal challenge of decisions	4	2	8		✔			Town Clerk's training and considered agenda drafting.	Monthly	Clerk	Low
Statutory documents – review and publication	Non-compliance with legislation. Loss of public confidence	4	2	8		✔	✔		Use SLCC and NALC templates Trained Town Clerk Trained Deputy Clerk	As necessary	Clerk	Low
Payments unable to be made due to insufficient bank account signatories.	Can't pay VAT or contractual obligations. Possible prosecution. Loss of public trust.	5	1	5		✔			Make sure that there are enough signatories for dual authorisation.	In place	RFO	Low
GDPR / FOI – non-compliance or Data breach	Penalties / Prosecution	5	2	10		✔	✔	GDPR and breach of data. Nasty report into the public domain. Impacts reputation.	Have a Publication scheme to make information available. Procedure for requests. Insurance for negligence. Training and email & document templates to be used.	Annually	Clerk + RFO	Low

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Risk	Result	Impact score	Odds	Risk Score	Tolerate	Treat	Transfer	Terminate	Mitigation of Risk / control measures	Target date	By whom	Risk after action
GDPR / FOI – non-compliance or Data breach	Penalties / Prosecution	5	2	10		✔	✔		FOI – risk required to deal with it in time. Might be forced to publish something we would prefer not to. Continuously check process for GDPR. Annual review and training with staff and members.	As necessary Annually Annually	RFO Clerk, Officers + Council	Low
Public liability claims	Serious financial losses and possible bankrupting of council. Prosecution under Health and Safety laws.	5	2	10		✔	✔		Document Risk Assessments for all activities / events. Safety inspections at allotments periodically. Insurance for negligence. Clerk and councillor training.	As necessary Annually Annually	Council RFO Clerk + council.	Low
Employers liability claims	Failure to protect staff and comply with employment legislation.	4	2	8		✔	✔		Insurance policy to cover for negligence Town Clerk and Deputy Town Clerk training	Annually As necessary	RFO Clerk + council.	Low
Councillor and volunteer liability claims	Litigation and financial settlements for defamation / accident / injury to the public whilst on council business.	4	2	8		✔	✔		Trained Town Clerk Advice from SLCC membership HALC legal advice	As necessary	Clerk	Low
IT												
Loss of data (as per section under	Council finds it difficult to operate or pay for services	5	2	10		✔			Use Microsoft 365 with daily backups. Councillors given lists of current contracts & obligations	Annual contract reivew	Clerk	Low
Loss of accounts records	Unable to complete audit or annual return	5	2	10		✔	✔		Use an accounting supplier which backs up to the Cloud.	Monthly	Clerk.	Low
Loss of IT Passwords	Access to bank accounts Access to social media Access to sensitive documents Breach of GDPR	5	1	5		✔			More than one user with access.	In place	Clerk	Low
Data quality risk	Council makes poor decisions.	2	2	4	✔	✔			Ensure that Council have as much information as possible to make appropriate decisions	Constant	Clerk/Staff	Low
Inappropriate comments on social media / websites	Litigation & FOI requests Code of conduct complaints	3	2	6		✔			Only Officers to post on social media on behalf of the Council. Social Media Policy & Staff Training.	Constant	Clerk and Chairman	Low
Website information	Failure to comply with legislation.	4	2	8		✔	✔		Regular review of current website until new website is complete.	Constant	Clerk/Staff	Low
TREASURY MANAGEMENT												
Loss of all funds	Unable to complete necessary Council functions	5	1	5		✔	✔		To ensure the security of the principal sums, they will be spread across financial institutions.	In progress	RFO	Low

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REPUTATIONAL RISK												
Risk	**Result**	**Impact score**	**Odds**	**Risk Score**	**Action required**				**Mitigation of Risk / control measures**	**Target date**	**By whom**	**Risk after action**
					Tolerate	Treat	Transfer	Terminate				
Inappropriate councillor speeches or actions	Council reputation is damaged	3	2	6		✔			Councillors are given the opportunity for training. Good councillor guide is made available	As necessary	Clerk	Low
Inappropriate staff actions	Council reputation is damaged	2	2	4		✔			Ensure interview process requires request for references. Ensure training is given to staff. Disciplinary Action.	On hiring Yearly	HR Committee SLCC or HALC	Low
Councillors Interests are not declared	Illegal decisions taken. Loss of public trust in PC. Code of conduct breach	4	2	8		✔			Ensure RPI forms are completed, displayed on the website and sent to the BC. Agenda item for declarations of interest at meetings	Monthly	Clerk	Low
Failure to comply with legal duties	Loss of public trust in council. Financial Penalties. Prosecution of Clerk	5	2	10		✔			Ensure Clerk is trained and aware of all obligations. Minimum of CiLCA level.	Immediate.	Council	Low
Breaches of code of conduct	Possible prosecution. Loss of public trust.	4	2	8		✔			Ensure Councillors review the Code of Conduct. Consider adopting Civility and Respect Pledge.	Annually (at a minimum)	Clerk	Low
Payments unable to be made due to insufficient bank account signatories.	Possible prosecution. Loss of public trust.	5	1	5		✔			Make sure that there are enough signatories for dual authorisation.	In place	Clerk/RFO	Low
Loss of IT Passwords	Access to bank accounts Access to social media Access to sensitive documents Breach of GDPR	5	1	5		✔			More than one user with access.	In place	Clerk	Low
Council fails to deliver against the 'could do' priorities in the business plan for 2025/27	Loss of reputation	2	2	4	✔				Roles and responsibilities are clearly assigned to Cttees Progress is regularly monitored against agreed PIs Valid reasons are identified and published for non-performance Unspent budget is accounted for	31 March 2027	Full Council	Low
English Devolution and /or local government reorganisation derails the business plan for 2025/27	Loss of reputation	2	3	6				✔	A Devolution Working Group has been appointed to monitor the impact of devolution and re-organisation on the Council	31 March 2027	Full Council	Low

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