

Date: 9 September 2024 Woodbridge Town Council – Risk Management Scheme

Risk assessment is the systematic examination of working conditions, workplace activities and environmental factors that will enable Woodbridge Town Council to identify any and all potential inherent risks. Woodbridge Town Council will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible.

This document has been produced to enable Woodbridge Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The list is not exhaustive, and Councillors and Officers may wish to consider other risks not identified.

The Risk Management Scheme is an essential feature of good governance. The Scheme recognises that risk management applies to all aspects of the Council's work.

The Joint Panel on Accountability and Governance (JPAG) The Joint Practitioners' Guide 2022 defines risk as:

5.88. Risks are uncertain events or conditions (not just financial) that if they occur, will affect the authority's ability to achieve its objectives. The authority generally, and members individually are responsible for risk management.

5.90. Risks are unavoidable, but they need to be managed either by mitigation or controls such that they are tolerated, treated, transferred or terminated

In order to warrant a positive response to this concern, The Council must have appropriate arrangements in place. As a minimum we must identify and assess risks, and address those identified risks by mitigating or managing them.

Under the Risk Management Scheme, the full Council will review the red risks on a quarterly basis, the medium risks on a six-monthly basis and the green risks on an annual basis. To this end the Council recognises the Risk Management scheme is both a record, as well as a working document that should be used to enable continuous improvement in respect of safeguarding Woodbridge Town Council’s concerns and assets. The Finance Committee is responsible for maintaining the Risk Management scheme.

As recommended at section 5.92 of The Joint Panel on Accountability and Governance (JPAG) The Joint Practitioners’ Guide 2022, the likelihood of the risk and the severity of the consequences are classified using a five point matrix system used to assess and rate the risks as identified.

Likelihood		Severity				
		1	2	3	4	5
		Minor	Moderate	Serious	Major	Catastrophic
1	Extremely unlikely	1	2	3	4	5
2	Unlikely	2	4	6	8	10
3	Likely	3	6	9	12	15
4	Extremely likely	4	8	12	16	20
5	Almost certain	5	10	15	20	25

Risk classification	
Low (1-8)	Acceptable
Medium (9-14)	Medium to long term resolution
High (15-25)	Short to medium term resolution

Table of high and medium risks

Topic	Risk Identified	Likelihood (of risk occurring) 1 – Low, 5 – High	Severity 1 – Low, 5 – High	Classification (Likelihood x Severity)	Description/Management of Risk
Assets	Building risk	4	5	20	Shire Hall – in progress but highly uncertain. Theatre Street toilets and 15 Tide Mill Way – plan in place but execution risk. Community Hall – unquantified emerging roof renovation cost. Longshed – unsettled tenancy with risk to Council budget. Tide Mill – requirement for Council to consider. Grounds contract.
Assets	Failure of the Whisstocks floodgate	3	5	15	Procedures in place relying on the WTC officers. Third party responsible for operation of barrier. Sandbags are available in an emergency. Risk that the barrier is not activated at a critical time and/or there is a mechanical failure and/or vandalism affects the operation of the barrier. Risk that sandbags are not available/ineffective.
Internet Banking	Payment procedures and risks of loss	3	5	15	Procedures in place relying on one signatory. Review procedures and explore two signatory processes for high value payments. Cyber risks
Savings	Suffolk Building Society and risks of over concentration	3	5	15	Over concentration of the Council's reserves in one building society. Needs to be reviewed and necessary action taken. Cyber risks

Council	Lack of councillors	5	3	15	Residents unwilling to put the time and effort into being councillors and helping WTC be an effective Council for the town
Staff	Loss of staff	3	3	9	All Officers are key staff. To retain staff the Council must as a minimum: <ul style="list-style-type: none"> - Provide a safe and comfortable working environment. - Offer training and the chance of career progression (the Council has a training budget) - Undertake regular reviews with staff (The Council has an ongoing appraisal process overseen by the Clerk and the Staffing Committee).
Assets	Damage, vandalism etc	3	3	9	Comprehensive insurance cover for the Council's estate. Minor, reactive repairs and regular, ongoing repairs factored into the Council's budget. Adequacy of insurance cover.
Assets	Risk to third parties	3	3	9	Weekly safety inspections of play equipment by play area inspector. Clerk and Deputy Clerk make regular visits to estate. Grounds Maintenance Contractor provides regular updates. Adequacy of insurance cover.
Data	Access to systems	3	3	9	Access is denied to our own data (including customer/residents' data that we hold) to do our day-to-day activities either due to a technical failure or through malice - i.e. hackers gain access and encrypt data so that we can't use it, demanding ransom for decryption. Key defences are backup, good security technology and training for officers and councillors.

Data	Data breach	3	4	12	<p>Personal data is revealed to the public either accidentally or through malicious activity.</p> <p>Key defences are good security and training.</p>
Staff	Loss of staff	3	3	9	<p>All Officers are key staff. Risks arising from work environment, career opportunity, staff shortage and staff sickness. To retain staff the Council must as a minimum:</p> <ul style="list-style-type: none"> - Provide a safe and comfortable working environment. - Offer training and the chance of career progression (the Council has a training budget) - Undertake regular reviews with staff (The Council has an ongoing appraisal process overseen by the Clerk and the Staffing Committee). - Have the job description and person specification for each post reviewed at least annually.
Legal powers	Illegal activity or payment	2	3	6	<p>The Council holds the General Power of Competence.</p> <p>The Councils Standing Orders, Financial Regulations and Terms of Reference detail the decision making ability and process for the Council during it's meeting, and Officers during normal working procedures.</p>
Data Loss	Data breach	3	3	9	<p>Daily backup completed remotely via React (IT provider); data held in the Cloud. Barracuda network installed to filter emails.</p> <p>Council has a Data Retention Policy.</p>

Table of all other identified risks

Topic	Risk Identified	Likelihood (of risk occurring) 1 – Low, 5 – High	Severity 1 – Low, 5 – High	Classification (Likelihood x Severity)	Management of Risk
Precept	Not Submitted	1	3	3	The Town Clerk receives notifications and reminders from the District Council of the deadline. The January meetings of the Finance Committee and Town Council are specially scheduled to ensure a recommendation from the Finance Committee can be considered by Full Council prior to the submission deadline. The Council employs more than one staff member should the Town Clerk be unable to submit the request.
	Not Paid by ESC	1	4	4	The Town Clerk and Finance Officer receive remittance advice from the District Council prior to payment, and from experience know when to expect payment. Regular checks made with the District Council if not forthcoming.
	Adequacy of Precept	1	3	3	To determine the precept amount required the Council regularly receives budget reviews throughout the year, and at the time the precept amount is considered, the Council receives a budget report, including actual position and projected position, with indicative figures/costings obtained by the Clerk / RFO for the following year. With this information, and from consideration of any future projects, the Council determines the amount of precept required for following financial year
Reserves	Adequacy of the General Reserve	2	3	6	The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure – Finance Committee to regularly review the Council's General Reserve. Town Clerk and Finance Officer to review on a regular bases.
	Adequacy of the Earmarked Reserves	2	3	6	There is in practice, no upper or lower limit to EMR save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification

					- The Finance Committee has a five year plan for the Council's EMR's, reconsidered during budget setting.
VAT	Correct charging	2	2	4	The Council is registered to reclaim VAT. Whisstocks Place and the Shire Hall are registered for VAT on sales, whilst specific types of hire also require a charge. Officers undertake regular training in order to understand VAT for local Councils.
	Correct claim	2	3	6	Finance Officer and Town Officer to prepare a quarterly claim, paid directly into the Council's account.
Cash	Loss through theft/ dishonest	2	2	4	Council holds a very small petty cash float, in a locked draw. Adequacy of Fidelity guarantee insurance checked at insurance renewal.
Borrowing	Ability to repay loans	1	2	2	Council not currently repaying any loans or investments. Such a requirement would be considered by the Finance Committee – funds and process for repayment would be required.
Salaries/ Expenses	Wrong salary/ hours/ rate paid to staff	2	3	6	All Offices paid on agreed SCP salary points and given a salary schedule document at the start of each financial year. Hourly rates and monthly pay manually input into payroll software – payroll procedure includes a four step check by Deputy Town Clerk, Mayor and Chair of the Finance Committee, Finance Officer and Town Clerk.
	Wrong deductions – Tax and NI	2	2	4	Tax codes received from HMRC before the new financial year – input manually into payroll software – agreed with Town Clerk and Mayor. Payroll software automatically calculates NI contributions, student loan payments etc. All checked as per the above (four stage check).
	Staff under/ overpaid	1	3	3	The Finance Committee considered the staffing budget as part of the budget setting process.
	Incorrect payment of expenses/ allowances	2	3	6	All Officer expenses are approved as part of the four-step payroll approval. All Councillor expenses are approved as part of the Town Council (public) supplier payments. The Council has an expenses policy.

Direct costs and overhead expenses	Goods not supplied/ incorrect goods not supplied.	2	2	4	The Council utilises a purchase order system via it's financial software. All orders made electronically or face to face. Goods/services checked against orders when received.
	Invoice incorrectly calculated	2	2	4	Manual checks of the arithmetic and VAT rates. Prior to payment all invoices checked by Councillors.
Assets	Deliberate damage, vandalism etc of a significant nature	2	3	6	Comprehensive insurance cover for the Council's estate. (PS Minor, reactive repairs and regular, ongoing repairs factored into the Council's budget).
	Preservation of title to land & buildings	2	2	4	Land and buildings registered with the Land Registry. Title deeds and other legal documents stored off site. Copies in the office either hard copy or electronic.