FLITWICK TOWN COUNCIL
RISK MANAGEMENT SCHEME

Introduction

This document sets out the framework on which risk management processes at Flitwick Town Council are based. This framework should assist in ensuring that a consistent approach is taken across the Council for the identification, assessment and evaluation of risks, and for ensuring that actions are proportionate to identified risks, thereby efficiently and effectively utilising resources and maintaining a balance between risks and controls. Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.

Risk Management

Risk – '*Risk is the combination of the probability of an event and its consequence. Consequences can range from positive to negative'.*

Risk Management – *'Process which aims to help organisations understand, evaluate and take action on all their risks to increase the probability of success and reduce the likelihood of failure.'* [Institute of Risk Management (IRM)]
Risk management is essential to good management and applies to all aspects of the Council's business.

Under the Accounts and Audit (England) Regulations 2015 s.3, there is an audit requirement to establish and maintain a systematic strategy, framework, and process for managing risk. Risks and their control will be collated in a Risk Register. A statement about the internal control and risk management system will be included in the Annual Statement of Accounts and summarised in the Council's Corporate Strategy.

Implementing the Strategy involves identifying, analysing/prioritising, managing and monitoring risks.

Risks Types

Strategic Risk – long-term adverse impacts from poor decision-making or poor implementation. Risks causing damage to the reputation of the Council, loss of public confidence, or in a worse case statutory intervention.

Compliance Risk – failure to comply with legislation or laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals, inability to enforce contracts etc.

Financial Risk – fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council tax precept levels/impact on Council reserves.

Operating Risk – failure to deliver services effectively, malfunctioning equipment, hazards to service users, the public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.

Not all these risks are insurable and for some the premiums may not be cost-effective. Even where insurance is available, money may not be an adequate recompense. The emphasis should always be on eliminating or minimising risk. Risk can be connected to opportunities as well as potential threats.

Risk Identification – Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed.

Risk Analysis – Identified risks need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences.

Risk Prioritisation – An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored Low (1), Medium (2) and High (3). The scores for both impact and likelihood are scored in this manner. Risks scoring 6 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

Risk Control – Risk control is the process of acting to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level.

Options for control include:

Tolerate – documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.
Treat – loss control measures are implemented to reduce the impact/ likelihood of the risk occurring;
Transfer – the financial impact is passed to a third party or by way of insurance. This is good for mitigating financial risks or risks to assets;

Terminate – the circumstances from which the risk arises are ceased so that the risk no longer exists;

Risk Register –Details on the impact and likelihood matrix are included below. A summary is included in the Council's Corporate Strategy, and the Senior Management Team reviews risks as and when relevant for project planning, etc.

Risk Monitoring – The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time.
The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

Roles and Responsibilities -

Councillors – risk management is a key part of the councillors' stewardship role and there is an expectation that Elected Members will lead and monitor the approach adopted. This will include the approval of the Risk Management Scheme;

Town Clerk – will ensure that Risk Management is an integral part of any service review process, ensure that recommendations for risk control are detailed in service review reports and will lead in developing and monitoring Performance Indicators for Risk Management.

Project Officers and Service Managers – when developing projects or recommending service changes will ensure that risks are identified and the measures to eliminate or control risks are documented in agenda reports/briefing papers to be considered by Council and committees.

Employees – will undertake their job within risk management guidelines ensuring that the skills and knowledge passed to them are used effectively.

Role of Internal Audit – the Internal Audit Team provides an important scrutiny role carrying out audits to provide independent assurance to the Council. Internal Audit assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

Training – Risk Management training will be provided to key staff. Councillors will receive appropriate briefings.

Risk Assessment and Management (Financial & Business) for the Period 1st April 2023 to 31st March 2025
L (Low) M (Medium) H (High)

Financial: Income

Topic	Risk Identified	Likelihood	Financial Impact	Management of Risk	Action	Frequency	Ownership
Precept	Not Submitted Not Paid by District Council Adequacy of Precept	L L H	H H H	Full TC Minute Check and Report Monthly Review of budget to actual	Diary Diary/Bank Statement 6-month budget review	Annual 6 monthly Ongoing	Town Clerk Town Clerk RFO/ Council
Charges Recreation	Cash Banking	H	M	Separate duties of person receiving money and person banking	Reconciliation	Monthly	RFO
Charges Cemetery	Plot Allocation Receipt of fees	M M	M M	Update of Burial Register Check with documentation		Ongoing Ongoing	Community Services & Amenities Manager/RFO
Charges Allotments	Rental Invoices Cash Handling Cash Banking	L L L	M M M	Register to invoice Issue of Receipt Segregation of duties	Reconciliation	Annual	Community Services & Amenities Manager/RFO
Investment Income	Surplus funds	L	M	Review annually at year end		Annual	Council/RFO
Cafe	Cash Banking	M	M	Monies received - Checked against banking		Weekly	RFO
Rufus Centre	Income from tenants	L	M	Check and Report	Advance advertising	Ongoing	RFO/Business & Facilities Manager

Financial: Expenditure

Topic	Risk Identified	Likelihood	Financial Impact	Management of Risk	Action	Frequency	Ownership
Salaries	Wrong salary paid Wrong hours paid Wrong Rate of pay Wrong deductions – NI/Tax	M M M M	L L L M	Check with input, minute approval Check with input Check with input and minute approval Check to PAYE calculations	Staff Check	On review	RFO
Direct Costs and Overhead expenses	Goods not supplied Invoice incorrectly calculated Cheques payable to wrong party	M M M	M L M	Order system Check arithmetic Invoice initialed by signatories	Approval check App. Check	Monthly Monthly	Town Clerk RFO Councillor signatories
Grants	Power to Pay Agreement of Council to pay Cheques	L L L	L L L	Minute power Minute Signatory signed ( )			Council/Town Clerk
Election Costs	Invoice at agreed rate	L	L	Accrue annually	Budget review	Annual	Council
Vat irrecoverable	Vat Analysis	M	L	All items in cash book	Verify	Quarterly	RFO
Reserves General	Adequacy	L	M	Consider at budget setting For FY 204-25 impact of 3 Station Road refurbishment project	-Finance Committee Check	-Quarterly	Council/RFO

Reserves Earmarked	**Adequacy**	**L**	**M**	**Consider at budget setting and year end** **Consider when agreeing new projects**	**Finance Committee Check**	**Annual** **As and when projects agreed**	**Council** **Council**
Assets	**Loss, damage etc.** **Risk to third party**	**M** **M**	**H** **M**	**Regular inspections, update insurance and register** **Review adequacy of public liability insurance**	**Diary**	**Annual**	**Town Clerk/RFO/ Council**
Staff	**Loss of key personnel** **Fraud by staff**	**M** **L**	**H** **L**	**Hours, health, stress etc.** **Fidelity guarantee insurance**	**HR Committee** **Council**	**Annual**	**Town Clerk** **Council**
Loss	**Consequential loss due to critical damage or third-party performance**	**L**	**M**	**Insurance cover review adequacy**		**Annual**	**Town Clerk**

Topic	Risk Identified	Likelihood	Financial Impact	Management of Risk	Action	Frequency	Ownership
Cash	Loss through theft or dishonesty	L	L	Adequacy of Fidelity guarantee insurance	Council	Annual	Council
Maintenance	Poor perf. of assets or amenities	L	M	Regular maintenance inspections		Ongoing	Town Clerk/Community Services Manager
Borrowing	Adequacy of finances to repay loans	M	M	Financial review and cash flow forecasting			RFO/Finance Committee
Legal Powers	Illegal activity or payment	L	L	Education of members as to their legal powers			Council/ Town Clerk
Financial Records	Inadequate Records	L	L	Regular internal audit and year end health check	Internal Auditor ~~Accountant~~	6 monthly	RFO
Medium Term Financial Plan	Need to plan for longer term	M	H	Prepare and maintain MTFS	Review	Annual	Council/RFO Town Clerk

Strategic

Topic	Risk Identified	Likelihood	Impact	Management of Risk	Action	Frequency	Ownership
Grants	Need to review Grant Scheme and link to strategic priorities	L	L	Target priorities	Review Scheme	annually	Town Clerk/Community Services Manager
Business Plan	Unable to take forward key priorities	L	M	Include Strategy in Corporate Strategy	Review	annually	Town Clerk
Additional recreation/ sports land	Possible acquisition under s106 Prepare for costs and operation	L	M	Included in Budget Prepare for operations and future maintenance		Prior to event	Town Clerk
Corporate Strategy	Lack of clear direction	H	M	Prepare priorities & objectives	Follow Strategy	4 years	Town Clerk/ Council
Future Services	Unable to afford or deliver	L	H	Need to be in accordance with Strategy		Ongoing	Town Clerk

Operational

Topic	Risk Identified	Likelihood	Impact	Management of Risk	Action	Frequency	Ownership
Insurance Cover for Council	Risk to finances, staff and third parties if inadequate cover	L	H	Buildings Land Carparks Allotments Cemeteries Vehicles & Plant Contents Equipment Fidelity Theft Personal Injury (Councillors & Officers) Public Liability Slander/Libel Employer Liability External Events 3 Station Road Refurbishment	Monitor Cover and update as necessary Separate build contract insurance	Ongoing Temporary provision	Town Clerk/RFO Town Clerk/RFO
Office Security	Risk to staff, damage to building/contents & data	M	H	Maintain security of building, alarms, back up files offsite, fire safety, password protect computer data	Monitor and maintain	Ongoing	Town Clerk
Regular maintenance of assets	Risk to staff & third parties also of loss or damage	M	M	Annual Business Risk Assessments completed Adequate legislative safety checks of assets	Monitor	Ongoing	Town Clerk
Asset Register	Risk if assets not properly recorded & valued	L	M	Accurate & timely	Monitor	Ongoing	Town Clerk/RFO
Flitwick Papers	Threats to preparation/delivery Compliance with Publicity Code	L	L	Ensure slots booked and dates advertised Check content against Code	Early preparation	Quarterly	Town Clerk/ Communications Manager
Council Liability	Lone person working- compliance with law	L	M	Procedure for safety	Monitor & review	Ongoing	Town Clerk
	Contract of Employment	L	L	For all staff	Monitor & review	Ongoing	Town Clerk
	Duty of Care to visitors, staff	M	H	Adequate insurance, risk	Monitor &	Ongoing	Town Clerk

	and Councillors			assessments and action plans	review		
	Other Employment Conditions- compliance with legislation	L	M	Review terms & conditions, contracts, development reviews & insurance	Monitor & review	Ongoing	Town Clerk

Topic	Risk Identified	Likelihood	Impact	Management of Risk	Action	Frequency	Ownership
	Loss of Key Staff	M	H	Need contingency arrangements and succession planning 12 weeks notice periods for SMT	Monitor & review	Ongoing	Town Clerk
	Councillors- must be adequately advised of their responsibilities and culpability.	L	M	Induction & refresher training Code of Conduct Policy circulated	Monitor	Ongoing	Town Clerk
Health and Safety	Responsible for Members, Employees, Public & Contractors	M	H	Need regular Safety risk assessments both general and specialist, safety policy and safe working procedures.	Need review of risk assessments & SWP	Ongoing	Town Clerk
Town & Country Planning	Adverse effect on community amenities if fail to respond to Planning applications or Local Plan consultations	L	M	Need for Council to respond. Need guidance and processes	Review & follow processes	Ongoing	Town Clerk/Community Services Manager
Training	Essential for councilors & staff if to reach potential	M	M	Need annual training plans & to implement them	Prepare and monitor	Ongoing	Town Clerk
Freedom of information	Need to respond to requests	L	H	Procedure to be accurate and timely	Monitor & report	Ongoing	Town Clerk/Deputy Town Clerk
Governance Documents	Interrupt operations if not current & following best practice	L	M	Keep up to date and in line with best practice	Review	2 years	Town Clerk/Deputy Town Clerk
Press releases	Comply with publicity code	L	M	Review & monitor	Monitor	Ongoing	Town Clerk
Data Protection	Need to keep data secure	L	M	Need operational procedures	Monitor	Ongoing	Town Clerk
Byelaws	Reference to models when adopting	L	L	Not currently applicable			

Archiving documents	**Security and statutory retention periods**	**L**	**M**	**Needs to be in accordance with a document retention policy**	**Monitor**	**Ongoing**	**Town Clerk**
Public Access	**Public need to be able to access services according to need & safely**	**L**	**M**	**Services available at stated times. Subject to safety inspections**	**Monitor**	**Ongoing**	**Town Clerk**
Office administration	**Needs to be effective**	**M**	**M**	**Review & introduce procedures**	**Review & monitor**	**Ongoing**	**Town Clerk/Deputy Town Clerk**

Topic	**Risk Identified**	**Likelihood**	**Impact**	**Management of Risk**	**Action**	**Frequency**	**Ownership**
Contracts	**Compliance with legislation/ governance documents when letting**	**L**	**H**	**Prepare specification, determine on price and quality** **Procurement Policy Review**	**Monitor**	**Ongoing** **Annually**	**Town Clerk** **RFO**
	Risk to performance and cost if not properly monitored	**L**	**H**	**Monitor against specification and price**	**Monitor**	**Ongoing**	**Town Clerk**

Compliance

Topic	Risk Identified	Likelihood	Financial	Management of Risk	Action	Frequency	Ownership
Minutes	Accurate and Legal	L	L	Approved at following meeting			Council
Confidential Matters	Accurate and Legal	H	H	Need to be on agenda and minutes need to be public	Review & follow process	Ongoing	Town Clerk
Members Interests	Conflict of Interest	M	L	Update declarations of interest Recording on minutes of declarations		Annual As and when relevant	Councillors Town Clerk
Councillor Declarations	Accurate and Legal	H	M	Need copy on Website or link to Central Beds.	Review & follow process	Ongoing	Town Clerk/ Councillors
Dispensations	Not compliance with legislation	H	H	Require individual applications and approvals	Review & follow process	Ongoing	Town Clerk
Budget & Precept	In accordance with legislation	L	H	Compliance, advice by accountant	follow process	Annual	Town Clerk/ RFO
Accounts & Annual Return	In accordance with Regulations	M	H	Compliance with Regulations	follow process	Annual	RFO
Audit process	Internal or external not following Regulations	L	H	Compliance with Regulations	follow process	Annual	RFO
Website	Not compliant with Transparency Code	M	M	Review in line with Code	Review & follow process	Ongoing	Town Clerk/ Comms Manager
Code of Conduct	Compliant with legislation & best practice	M	M	Code & procedures kept current	Renew or add guide	Annual	Town Clerk
Agendas and Notices	Not complying with legislation	L	H	Follow legislation. Use term “Summon”	Review & follow process	Ongoing	Town Clerk
Freedom of Information	Legal	M	M	Follow legislation, allow request by letter/email	Review & follow process	Ongoing	Town Clerk/ Deputy Town Clerk
Publication Scheme	Legal	H	M	Use latest model	Review & follow process	Ongoing	Town Clerk/ Comms Manager
Data Protection	Legal	H	H	Ensure registration & follow guide	Monitor	Ongoing	Town Clerk
Charitable Trust	Understanding responsibilities			No trusts operated by Council			
Statutory	Not compliant with legislation or	L	H	Regular Reviews	Monitor	Annual	Town Clerk/

Governance Documents	**current**						**Deputy Town Clerk**