

## Agenda Item 12

### For decision Approval of Risk Register 2019/20

Author: Paul Wynne, Town clerk

#### Summary

We are required to actively manage risk. To help us do this we have a Risk Strategy (Constitution - Chapter 12) describing how we go about doing this and a Risk Register with an Action Plan detailing risks we face and how we will manage them. Every year Council has to be confident that it is managing risk competently by approving the Risk Strategy, the Risk Register and its Action Plan. The Strategy and the Action Plan are [Appendix 12.1](#) and [Appendix 12.2](#). The full Risk Register is 40 pages long and is available on request from the Business Manager,

This year is slightly complicated as the External Auditors have asked parish councils to confirm that in 2018/19 this happened at Council level. Not knowing this until late March, I had already planned to bring this item to this meeting (in 2019/20) so that new Cllrs could be confident from the start that we manage risk well.

As a result, on the advice of our Internal Auditors, I am also tabling for retrospective approval the 2018/19 Risk Register Action Plan ([Appendix 12.3](#)) which is the same

#### Background

There is a responsibility on a Council to demonstrate best practice in all aspects of their governance, and the assessment of risk is a key part of this.

Management of risk is not just concerned with Health and Safety and making sure we have sufficient insurance cover. It identifies and assesses all risks the Council faces from our reputation, the safe use specific chemicals in cleaning, through public liability insurance cover and ensuring that the Christmas Lights event is safe.

Managing risk is something we do continually. The important thing is to identify risks and plan how these risks can be mitigated but not necessarily removing the risk completely. For example, someone who is injured using the skate park is a risk we are very aware of. While, we take various measures to help users play safely, we do not remove the risk completely by closing the skatepark. In short, we manage the known risks.

We have a Risk Strategy (at [Appendix 12.1](#)) which highlights in more detail our approach to risk and we have a Risk Register where we list our risks, assess their significance and, where necessary, draft an Action Plan ([Appendix 12.2](#)) to mitigate that risk if possible. The Risk Register is a large document and available on request. We also work to a large number of individual risk assessments and management plans for each site we manage, each chemical we use, each event we run and so on.

Each risk is scored by selecting a value of the *likelihood* (the likelihood of this happening with the controls the Council has in place)

- N/A not taken into account/ignore
- Low (no/not likely) = value of 1
- Medium (chance it may happen) = value of 2
- High (this may happen) =value of 3

and *impact* (estimated impact of this risk on this area to the Council with the controls the Council has in place).

- N/A not applicable/ignore
- Low (little or no impact) = 1
- Medium (low to medium impact on the Council) = 2
- High (great impact on the Council) = 3

The system multiplies the likelihood score against the impact score to arrive at a risk value for each item.

Each of the Council's risks identified in the Risk Register, ranging from financial, reputation, to play equipment safety has been reviewed, assessed and scored over the past year taking into consideration the controls the Council has in place.

Where relevant, risks are cross referenced with the current Financial Regulations. Risks with a value of four or more appear in the 2019/20 Risk Register Action Plan and the relevant staff will continue to monitor these risks.

#### **Recommendation**

1. The Chair to sign the 2019/20 Action Plan on behalf of the Council and approve the 2019/20 Risk Strategy document.

#### **External Auditors requirements for year ending 2018/19**

Every year at year-end, as part of the Annual Return, the External Auditors spotlight an additional area of Council work. In previous years, it has been around VAT, loans, salaries and so on. For the year ending 2018/19, we have very recently found out that the spotlight has fallen on Risk Management and they require minutes from meetings in 2018/19 to confirm that Risk Management was considered by Council as an indication that we are competent and manage our risk adequately.

Although I reviewed and updated our Risk Register last summer, I decided to delay bringing it to Council until this meeting to ensure new Cllrs are aware of the Risk Strategy and Register and can be confident that we are managing risk correctly.

As a result, the Council did not formally consider Risk Management in 2018/19. In order to enable the External Auditors to be confident that we are doing what we should our Internal Auditors have advised that I table the 2018/19 Risk Register ([Appendix 12.3](#)) for ratification at this meeting. It is unchanged in 2019/20.

**Recommendation**

2. The Chair to sign the 2018/19 Action Plan on behalf of the Council.