

**Onllwyn Community Council**

**Risk Management Strategy & Risk Register**

**Adopted by Full Council: 12 May 2025
Reviewed Annually**

# Introduction

1.1 This document along with Risk Assessment Schedule forms Onllwyn Community Council Risk Management Strategy.

It sets out:

• What risk management is:

• Why the Council needs a risk management strategy.

• The Council’s philosophy on risk management.

• The risk management process.

• Roles and responsibilities.

• Future monitoring.

1.2 The objectives of this strategy are to:

• Further develop risk management and raise its profile across the Council.

• Integrate risk management into the culture of the organisation.

• Embed risk management through the ownership and management of risk as part of all decision-making processes; and

• Manage risk in accordance with best practice.

# Defining Risk Management

2.1 ‘Risk is the threat that an event or action will adversely affect an organisation’s ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated, and controlled.

2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety but applies to all aspects of the Council’s work.

2.3 Risks can be classified into various types, but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working.

The examples below are not exhaustive:

**Strategic Risk** – Long-term adverse impacts from poor decision-making or poor implementation. These are risks of damage to the reputation of the Council, loss of public confidence, in a worst-case scenario Government intervention.

**Compliance Risk** – Failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. These risk exposure to prosecution, judicial review, employment tribunals and the inability to enforce contracts.

**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 levels/impact on Town 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 risks are insurable and for some the premiums may not be cost effective. Even where insurance is available, a monetary consideration might not be an adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.

2.4 Risk is not restricted to potential threats but can relate to missed opportunities. Good risk management can facilitate proactive, rather than merely defensive responses. Measures to manage adverse risks are likely to help with managing positive ones.

# Why the Council needs a Risk Management Strategy

3.1 Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.

3.2 The Risk Management Strategy will help to ensure that all Members of the Council understand risk, and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious

choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer, or acceptance.

3.3 Strategic risk management is an important element in demonstrating continuous service improvement.

3.4 There is a requirement under the Accounts and Audit (Wales) Regulations 2014 to establish and maintain a systematic strategy, framework, and process for managing risk.

# Risk Management Policy Statement

Onllwyn Community Council recognise that it has a responsibility to manage risks effectively to protect its employees, assets, liabilities, and community against potential losses, to minimise uncertainty in achieving its aims and objectives and to maximise the opportunities to achieve its vision.

The Council is aware that some risks can never be eliminated fully, and it has in place a strategy that provides a structured, systematic, and focused approach to managing risk.

Risk management is an integral part of the Council’s management processes.

# Implementing the Strategy

5.1 Risk control is the process of taking action 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 may be required to reduce the risk to an acceptable level.

Options for control include:

**Elimination** – The circumstances from which the risk arises are removed so that the risk no longer exists.

**Reduction** – Loss control measures are implemented to reduce the impact/ likelihood of the risk occurring.

**Transfer** – The financial impact is passed on to others e.g., by revising contractual terms.

**Sharing** – The risk is shared with another party.

**Insuring** – Insure against some or all of the risk to mitigate financial impact; and

**Acceptance** – Documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.

5.2 Risk Register

The Strategic Risk Register (Appendix A) will be regularly refined and updated as part of this Risk Management Strategy.

5.3 Risk Monitoring

The effectiveness of risk control procedures 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 Risk Management Plan will be reviewed at least annually by the Council.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimise 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.

5.4 Risk Management System

**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** – Once risks have been identified they 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. If a risk is seen

to be unacceptable, then steps need to be taken to control or respond to the risk.

**Risk Prioritisation** - An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored:

Low

Medium

High

# Roles and Responsibilities

6.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively

right across the Council and its operations, and responsibility for risk is located in the right place. The process must be driven from the top but must also involve staff throughout the organisation.

6.2 Councillors – Risk management is seen as a key part of Councillors stewardship role and there is an expectation that Councillors will lead and monitor the approach adopted, including:

i) Approval of the Risk Management Strategy.

ii) Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed.

iii) Consideration, and if appropriate, endorsement of the Annual Governance Statement; and

iv) Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.

6.3 Employees – will undertake their job within risk management guidelines ensuring that their skills, experience, and knowledge is used effectively. All employees will maintain an awareness of the impact and costs of risks and how to feed information into the formal process. They will work to control risks or threats within their roles, monitor progress and report on task related risks to the Clerk.

6.4 Clerk – will act as the lead officer on risk management and be responsible for overseeing the implementation of the Risk Management Strategy.

They will:

i) Provide advice as to the legality of policy and service delivery options.

ii) Provide advice on the implications for the Council’s strategic aims and objectives.

iii) Update the Council on the implications of new or revised legislation.

iv) Assist in handling any litigation claims.

v) In consultation with the Council’s external advisors as necessary, provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury.

vi) In consultation with the Council’s external advisors as necessary, advise on any health and safety implications.

vii) Assess and implement the Council’s insurance requirements.

viii) Assess the financial implications of strategic policy options.

ix) Provide advice on budgetary planning and control.

x) Ensure that the financial information systems and processes allow effective budgetary control in line with the Council’s Financial Regulations.

xi) Ensure the Council’s Risk Register is maintained.

6.5 Role of Internal Audit – Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

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.

Internal Audit reports, and any recommendations contained within, will help to shape the Annual Governance Statement.

6.6 Training – The aim will be to ensure that both Staff and Councillors have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

6.7 In addition to the roles and responsibilities set out above, the Council is keen to promote an environment within which individuals and groups are encouraged to report adverse incidents promptly and openly.

# Future Monitoring

7.1 Review of Risk Management Strategy – This Strategy will be reviewed annually by the Council.

Appendix A

**ONLLWYN COMMUNITY COUNCIL – Risk Register**

**May 2025 (Adopted at Annual Meeting 12 May 2025, submitted to, reviewed and adopted at subsequent Annual Meetings each year)**

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Community Council to identify any and all potential inherent risks. The Community Council, based on a recorded assessment, 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 Onllwyn Community Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

**Assessment Criteria**

**Rating:** Potential Consequence Score: 1-5 (1 Low – 5 High) **Classification:** 1-5 Low

 Likelihood of Happening Score: 1-5 (1 Low – 5 High) 6-10 Medium

 Severity Level Score – Potential Consequence x Likelihood 11-15 High

 16-25 Very High

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| **Topic** | **Risk** **Identified** | **Potential Consequence** | **Likelihood** | **Severity Score** | **Classification** | **Accountability** | **Measures to be taken to Reduce/Minimise/Control Risk** |
| **Income** |
| Precept | Not Submitted | 5 | 1 | 5 | Low | Clerk/RFO | Full Budget process in place.Prepare budget annually in November/December.Resources Committee to consider budget annually in November/ DecemberCouncil to determine precept annually in December/JanuaryClerk/RFO to notify County Borough Council in December/January |
| Not paid by County Borough Council | 5 | 1 | 5 | Low | Clerk/RFO | Clerk/RFO to monitor and report to CouncilPaid directly to bank account by BACS |
| Inadequacy of Precept | 5 | 1 | 5 | Low | Clerk/RFO | Clerk/RFO to report monthly payments to Council and monitor balances accordinglyCouncil to review/compare budget to actual at end of second quarter |
| Hire Charges and Rentals | Rental for land leased - Collection | 5 | 2 | 10 | Medium | Clerk | Clerk to ensure that agreements are prepared and signed following Council decision Clerk to ensure that rental amounts are collected from leaseholders and issue receipts accordinglyClerk to ensure funds are deposited to bank account |
|  | Rent – Review | 2 | 2 | 4 | Low | Clerk | Annual Review of charges by Council in November/ December as part of budget setting process |
| Loss of Money | In Transit | 1 | 1 | 1 | Low | MembersClerk | Insured for limit of £1,000 |
| In Premises | 1 | 1 | 1 | Low | MembersClerk  | Insured for £1,000 or £250 if not under supervision or locked in safe |
| In Private Residence of Employee | 1 | 1 | 1 | Low | MembersClerk | Insured for £1000 |
| Through theft or dishonesty of Staff or Members | 1 | 2 | 2 | Low | MembersEmployees | Fidelity guarantee of £150,000  |
| Borrowing/ Lending | Adequacy of finances to repay loan | 5 | 1 | 5 | Low | Clerk/RFO | Investment Strategy Policy would coverProvision for repayments made in Annual Budget |
| Investment Strategy  | Investment Strategy Policy | 5 | 1 | 5 | Low | Clerk/RFO | Review Policy and Income annually at Annual Meeting |
| Reserves – General | Ensure Adequacy | 5 | 3 | 15 | High | Clerk/RFO | Consider at Budget Setting |
| Reserves – Earmarked | Ensure Adequacy | 5 | 1 | 5 | Low | Clerk/RFO | Consider at Budget Setting |
| **Expenditure** |
| Legal Powers | Illegal Payment or Activity  | 5 | 2 | 10 | Medium | Clerk | Monitor all decisions and activities of Council to ensure compliance with statutory powers.Seek advice from OVW if necessary.Ensure compliance with Standing Orders and Financial Regulations.Review of Standing Orders and Financial Regulations during lifetime of Council. |
| Salaries/ Wages | Incorrect salary/wages paid | 5 | 2 | 10 | Medium | Clerk/RFO | Payroll software maintained and record of all calculations retained.Staff salaries/wages presented to Council monthly for scrutiny and agreement. |
| Incorrect salary/wage rates applied | 5 | 2 | 10 | Medium | Clerk/RFO | Payroll software maintained and record of all calculations retained.Reconcile with Council decision following consideration of annual salary review and receipt of recommendations from One Voice Wales and Society of Local Council Clerks. |
| Failure to account for correct deductions of NI, Tax. | 5 | 2 | 10 | Medium | Clerk/RFO | Payroll software maintained and record of all calculations retained.Maintain effective liaison with HM Revenue and Customs. |
| Incorrect submission of PAYE/NI | 4 | 1 | 5 | Low | Clerk/RFO | Payroll software maintained, returns submitted monthly and amounts reported to Council.HMRC Annual Return to be completed electronically by due date. |
| VAT - Recovery of payments made | Improper recording of input/output VAT | 5 | 1 | 10 | Low | Clerk/RFO | Record of all payments made to include separate entry for VAT through Receipts and Payments on Scribe software |
| Payments not made by H.M Customs & Excise | 5 | 1 | 5 | Low | Clerk/RFO | Claim submitted to H.M. Customs and Excise quarterly and at least annually. |
| Financial Assistance | Legal Power to contribute | 5 | 2 | 10 | Medium | Clerk | Compliance with section 137 and other legislation |
| Compliance with Council Policy | 4 | 1 | 4 | Low | Clerk | Review policy annually at appropriate meeting of Council.Remind Members of Policy during consideration of applications.Council to consider applications and monitor budget spend. |
| Councillor Remuneration | Incorrect payments to Members | 4 | 1 | 5 | Low | Members Clerk | Members to consider Independent Remuneration Panel recommendations at Annual Meeting and Clerk to action decisions.Members to complete and verify all appropriate documentation/claim forms.Clerk to verify any claims and apply agreed rates as per statutory entitlement/Council policy.  |
| **Property** |
| Assets | Loss/Damage thereof | 5 | 2 | 10 | Medium | Clerk | Clerk to update Asset Register annually.Clerk to undertake regular inspection of Community Centres, Parks and Playgrounds.Property insured against all risks. Buildings, contents and equipment all insured for specified sums for replacement purposes, as appropriate.Clerk to review insurance provision annually. |
| Risk or damage to third party property or individuals | 5 | 2 | 10 | Medium | Clerk | £10 million indemnity of Public Liability in place.Review annually |
| Lack of adequate maintenance | 5 | 3 | 15 | High | Clerk | Commission expert advice re buildings, playgrounds, parks and playing fields, including fences, trees, furniture and equipment.Prepare improvement and maintenance schedules for all sites and premises.Include capital sums in Annual Budget to undertake repairs and improvements as per specified programme.Undertake repair and maintenance work on an ongoing, timely and cost-effective basis. |
| Risk of break–in at Office | 5 | 2 | 10 | Medium | Clerk | Ensure that all doors are properly locked when staff are not in attendance.Devise contingency plan for business continuity. |
| IT hardware and software failures | 5 | 1 | 5 | Low | Clerk | Ensure that appropriate back-up facilities are in place.Maintain support contracts with suitably qualified companies.Devise contingency plan for business continuity. |
| **Personnel** |
| Staff availability | Insufficient staff to deliver services | 4 | 2 | 8 | Medium | Clerk/ Chairman | Review staff resources on continuous basis.Allocate appropriate cover on temporary basis.Consider external contingency plans. |

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| Staff availability (cont’d) | Loss of key personnel, through ill health, retirement, long term sickness or death | 5 | 2 | 10 | Medium | Clerk/ Chairman | Review staff structures, working hours, duties and responsibilities as a matter of urgency. Allocate appropriate cover on temporary basis. Consider external contingency plans.Seek temporary appointment for Clerk to maintain business continuity.. |
| Staff Performance | Staff fail to deliver service or perform duties adequately. | 5 | 1 | 5 | Low | Clerk/ Chairman | Interview staff, review workloads, identify any external factors.Reallocate responsibilities and/or priorities.Consider external contingency plans. |
| **Admin****Legislation** |
| Minutes and Financial Records, Deeds | Inappropriate methods used for storage of records | 5 | 3 | 15 | High | Clerk | Maintain and implement Records Management Policy.Retain records electronically with Clerk.Update regularly on separate hard drive.Deposit historical records with County Archives.Retain all deeds in fireproof document holder/container. |
| Code of Conduct | Members do not adhere to the Code of Conduct. | 3 | 1 | 3 | Low | MembersClerk | Code of Conduct adopted by Council and implemented with copies provided on election or co-option to all Members.Members advised by the Clerk and/or the Monitoring Officer on request. |

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| Register of Members Interest, Gifts and Hospitality | Member interests and recording of gifts and hospitality not rigorously acknowl-edged and recorded. | 3 | 1 | 3 | Low | MembersClerk | Forms available at all meetings and register maintained by Council as hard copy and on Council Website.Declaration of Office signed by all Members and copies held by Council.Copies retained by Clerk as requested by the Monitoring Officer at Neath Port Talbot CBC. |
| Risk Assessments | Relevant risks relating to health and safety, administrative and financial processes not addressed. | 5 | 4 | 20 | High | Clerk | Undertake and keep under review a risk assessment relating to all Council’s sites and premises, along with its administrative and financial processes.Undertake bespoke risk assessments for Council activities as required.Seek professional advice for Council, particularly regarding Health and Safety. |
| Consultation Responses | Deadlines for response not met. | 3 | 2 | 6 | Medium | Clerk | Agenda consultations as priority items.Convene special meeting if necessary.Ensure system for Clerk to respond with Chairman’s agreement if essential to meet deadline. |
| Disability Discrimination Issues | Legislative requirements not met at Council premises. | 5 | 3 | 15 | High | Clerk | Commission expert advice to identify alterations/improvements/adaptations and implement as per programmes of repair and improvement.  |
| Data Protection | Breach of data | 5 | 4 | 20 | High | Clerk | GDPR requirements to be kept under review and appropriate documents prepared/actions undertaken. |