**Caerphilly Town Council**

**Risk Assessment 2021**

**Risk Scoring**

Likelihood of risk occurring is scored from 1 to 5 where 1 is very unlikely and 5 very likely.

Impact of risk is scored from 1 to 5 where 1 is minimal to 5 major in terms of cost, impact on health, safety etc.

By multiplying the two scores together will give a score between 1 and 25. Scores below 10 are viewed as low risk, 11 to 15 medium risk, 16 to 25 high risk.

As part of the risk assessment review Covid 19 has been added as an operational risk. Implementation of the mitigating controls will reduce this to medium. Return to normal working in 2021 will require risk assessment and appropriate precautions as long as Covid 19 remains a community transmission risk.

Despite the difficulties presented by coronavirus the highest risks still relate to cyber security and event management.

**Caerphilly Town Council**

**Risk Assessment 2021**

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| **Strategic Risks** | | | | | |
| **Ref** | **Nature of Risk** | **Likelihood**  **1-5** | **Impact**  **1-5** | **Score/Severity** | **Mitigating Controls** |
| S1 | Reputational damage due to Conduct of Council, Councillors Staff; or mismanagement of Council affairs | 2 | 5 | 10 Low | Code of Conduct adopted and copies provided to Councillors and Staff.  Members advised by Town Clerk or Monitoring Officer.  Control procedures to avoid mismanagement or unlawful activities. |
| S2 | Loss of public confidence | 1 | 5 | 5 Low | Council conducts business in open transparent manner, meetings open to public and press.  Agenda, Minutes published on Council Website.  Accessibility to Councillors with published telephone numbers and email addresses. |
| S3 | Poor Event Management resulting in adverse publicity, public safety and accidents. | 4 | 5 | 20 High | Events Working Group to plan and debrief events.  Risk assessments for each event.  Event Management Plans.  Compliance with statutory requirements. |
| S4 | Communications | 1 | 5 | 5 Low | Up to date information maintained on Council Website.  Nominated spokesperson to respond to media enquires or provide media statements (note: The Town Council does not have Facebook or Twitter accounts). |

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| **Strategic Risks** | | | | | |
| **Ref** | **Nature of Risk** | **Likelihood**  **1-5** | **Impact**  **1-5** | **Score/Severity** | **Mitigating Controls** |
| S5 | Agenda, minutes, statutory document, reports | 1 | 3 | 3 Low | Fully documented and easily accessible.  Council decision making is open and transparent. |
| S6 | Conflict of Interest | 1 | 3 | 3 Low | Maintain a Register of Members Interests.  Procedure in place to record any Members interest in items on Council agenda and to public on Council Website.  Where interest declared Members do not take part in the debate or decision making. |
| S7 | Member Training – lack of knowledge could lead to poor decision making | 2 | 4 | 8 Low | Suitable training will be arranged where a need is identified. |
| S8 | Changes to responsibilities of Town Council; or merger proposals emanating from Welsh Government review of sector. | 2 | 4 | 8 Low | Respond to any proposals from Welsh Government to change responsibilities of Town Council. Indications that changes will be incremental and dependent on individual councils.  Action plan and budget review if necessary. |
| S9 | Brexit | 5 | 1 | 5 Low | Due to scope of Town Council activities minimal direct impact. Potential cost increases for services and supplies. |

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**Risk Assessment 2021**

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| **Compliance Risks** | | | | | |
| **Ref** | **Nature of Risk** | **Likelihood**  **1-5** | **Impact**  **1-5** | **Score/Severity** | **Mitigating Controls** |
| C1 | Failure to set a balanced budget | 1 | 5 | 5 Low | Procedures in place to ensure annual budget setting is undertaken, precept determined and CCBC informed.  Budget will be balanced through combination of balances (reserves) and precept. Quarterly budget monitoring. |
| C2 | Employment law, legal action by employees | 1 | 5 | 5 Low | Employees have contracts of employment.  Council applies terms and conditions for local government staff (note: Council employs 2 part time staff, does not have its own HR policies but use CCBC policies for guidance in any dispute that arises with staff). |
| C3 | Unlawful activities leading to audit investigation | 1 | 5 | 5 Low | Comply with local government legislation.  Ensure Standing Orders and Financial Regulations are followed. Implement Audit Wales recommendations. |
| C4 | Complaint from electors that Council has failed to comply with law or breached its Standing Orders and Financial Regulations leading to public interest report | 3 | 4 | 12 Medium | Ensure all activities are lawful and within scope of Town Council responsibilities.  Comply with Standing Orders and Financial Regulations, review as necessary to meet changes in legislation or Council’s operational needs. |
| C5 | New duty under Section 6 Environment (Wales) Act 2016 | 5 | 2 | 10 Low | Publish Biodiversity Statement setting out proactive action.  Submit report to Welsh Government prior to end 2019.  Keep actions under review.  Further report to Welsh Government 2022. |

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**Risk Assessment 2021**

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| **Financial Risks** | | | | | |
| **Ref** | **Nature of Risk** | **Likelihood**  **1-5** | **Impact**  **1-5** | **Score/Severity** | **Mitigating Controls** |
| F1 | Failure to submit Annual Return | 1 | 3 | 3 Low | Procedure and timescale for completing Annual Return is followed by Town Clerk. |
| F2 | Failure to set precept and agree budget | 1 | 5 | 5 Low | Budget approval process in place.  Budget prepared for Council meeting in November. Precept determined and CCBC notified. |
| F3 | Expenditure not in accordance with budget | 1 | 5 | 5 Low | Quarterly budget monitoring  Variances reported and approved. |
| F4 | Unlawful expenditure resulting in public interest report | 1 | 5 | 5 Low | Compliance with legislation. S137 expenditure is not exceeded.  Internal and external audit. |
| F5 | Loss of cash | 1 | 3 | 3 Low | Council has no petty cash.  All payments authorised by Town Clerk, recorded in cash book or equivalent and reported to Council on monthly basis. Internal audit reconciles payments against bank statements. |
| F6 | Adequacy of Reserves | 1 | 3 | 3 Low | Council has approved policy for general, earmarked and restricted reserves.  Reserves are part of medium term financial planning and integral to budget planning. |
| F7 | Poor Management of Finances | 1 | 5 | 5 Low | Quarterly budget monitoring.  Monthly reporting of payments.  Reconciliation of bank accounts to cash book.  Internal and external audit. |

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**Risk Assessment 2021**

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| F8 | VAT requirements not met resulting in loss of income | 1 | 3 | 3 Low | Maintain VAT invoices.  Annual VAT claim made in timely manner at end of financial year. |
| F9 | Incorrect salary payment/deductions | 1 | 4 | 4 Low | Monthly salary, NI and tax deductions for staff (PAYE). Sage payroll software implemented  Monthly statement of payments.  Annual increments within approved pay scale.  Annual salary review in accordance with Local government pay award. |
| F10 | Payment of allowances/expenses | 1 | 4 | 4 Low | Mayors allowance which is approved as part of budget paid quarterly.  Provision made for mandatory allowances, some members may opt out.  Expenses claims supported by receipts and authorised by Town Clerk.  Included in Monthly reporting of payments. |
| F11 | Financial assistance grants | 3 | 4 | 12 Medium | In accordance with S137 and other legislation.  Awards should be in accordance with criteria set by Council policy.  Reasons recorded in minutes if there is a departure from policy. Monitoring of budget. |

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**Risk Assessment 2021**

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| **Operational Risks** | | | | | |
| **Ref** | **Nature of Risk** | **Likelihood**  **1-5** | **Impact**  **1-5** | **Score/Severity** | **Mitigating Controls** |
| O1 | Annual Risk Assessment | 3 | 5 | 15 Medium | Up to date risk assessment and evidence of regular review as risks change over time and new risks may be identified. |
| O2 | Health & Safety  Non compliance | 4 | 4 | 16 Medium | Maintain adequate procedures and document as necessary.  Council occupies rented accommodation but will inform building manager of any concerns identified.  Council managed events to have separate risk assessments and event plans to include health and safety. |
| O3 | Maintenance and security of records – minutes, financial records, leases | 4 | 4 | 16 Medium | Hard copy record of minutes and financial information stored in locked area.  Council owns no land or buildings but has lease on office.  Migration of accounts from cash book to spreadsheet will need to be backed up. |
| O4 | Register of members interests, gifts, hospitality rigorously acknowledged and recorded | 3 | 3 | 9 Low | Register maintained by Town Clerk.  Declaration of Office signed and copies held by Town Clerk.  Declaration of interest in any item on Council agenda recorded at meeting and published on website. |

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| **Operational Risks** | | | | | |
| Ref | **Nature of Risk** | **Likelihood**  **1-5** | **Impact**  **1-5** | **Score/Severity** | **Mitigating Controls** |
| O5 | Events management to address detailed matters for individual events organised directly. | 4 | 5 | 20 High | Application for road closures made to Highway Authority.  Application for street collection permit made to Licensing.  Consultation with police in respect of crowd safety.  Employment of stewards.  Publicity.  Placing orders with appropriate suppliers. |
| O6 | Maintenance of assets | 1 | 2 | 2 Low | Maintain register of office equipment.  Insurance cover as appropriate (Note: The Council owns no land or buildings). |
| O7 | Reliability of IT | 3 | 5 | 15 Medium | The Council business is dependent on reliable and secure IT.  Maintain pc virus security, delete suspect scams.  Renew support agreement with CCBC.  Update IT (Hardware & Software) to maintain efficiency, when appropriate |
| O8 | Business Continuity  Affected by prolonged absence of staff. | 3 | 5 | 15 Medium | Long term absence of one or both part time employees would require temporary cover to maintain business continuity.  Consider the possibility of formal arrangement with adjacent Community Council or use of locum via SLCC. |

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| O9 | Equalities | 3 | 5 | 15 Medium | Council will conduct business in a manner to ensure no discrimination arises to any individual with protected characteristics under the equalities legislation. |
| O10 | Welsh Language | 4 | 5 | 20 High | Policy to be put in place when advised by Welsh Government.  Action plan to provide information/services in Welsh as necessary. Welsh version of website in development |
| O11 | Cyber Security | 5 | 5 | 25 High | Vigilant staff to spot suspect emails, bogus invoices, scam letters.  Compromised email accounts to be closed.  Dedicated Town Council Business email accounts for use by members.  New internet bank beneficiaries account details subject to secondary checks with organisation or individual.  Supplier change of details subject to secondary checks with organisation.  Maintain up to date understanding of cyber threats.  Take prompt action when internet fraud suspected.  Report to bank, insurer, Action Fraud, police as appropriate. |
| O12 | Website Accessibility | 5 | 3 | 15 Medium | Comply with Accessibility Regulations 2018 by Sept 2020.  Implement new website and ensure can be used by those with disabilities.  Respond to feedback from users, |

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| O13 | Covid 19  Contracting or spreading virus by not social distancing.  Getting or spreading the virus by not cleaning surfaces, equipment and work stations.  Getting or spreading the virus by not washing hands or sanitising,  Failing to wear a mask. | 3 | 5 | 15 Medium | Employees to work from home.  Town Council meetings held by remote access.  Return to office working and physical meetings subject to Covid 19 secure risk assessments and suitable adjustments.  As a building tenant compliance with Twyn Community Centre Covid 19 measures.  Vaccination of staff and councillors.  Town Council events for 2021 dependent on prevailing Welsh Government Regulations. |