



RISK MANAGEMENT STRATEGY

Risk, as defined by the National Audit Office, is an event or action which will adversely affect an organisation’s ability to achieve its objectives, project plans and to successfully execute its strategies. Risk management, therefore, is the process by which risks are identified, evaluated and controlled.

The Council has appointed a Clerk to the Council who acts as the Council’s advisor and administrator. The Clerk is the Council’s Responsible Financial Officer and is responsible for administering the Council’s finances. The Clerk is responsible for the day to day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council’s procedures, control systems and policies are adhered to.

RISK MANAGEMENT CONTROL

To manage risk, the Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process. Typical categories of risk might be identified as follows:

- Financial – loss of money – fraud, theft, embezzlement
- Property – damage to property
- Legal – breaking the law or being sued
- Reputational – actions taken could harm the Council’s public reputation

Area	Risk	Risk Level before control H/M/L	Management/control of risk	Risk Level after control H/M/L
Financial – Knaresborough Town Council has a robust Financial Risk Assessment in place detailed in a separate document				

Management					
Employees	Loss of Key personnel	M	Clerk/Deputy mainly interchangeable job roles. Notice of termination paramount in this specialised sector. Begin recruitment immediately.	L	
	Employment law and Inland Revenue Regulations	M	Contracts of employment for all staff, systems of updating records of change in relevant legislation.	L	
	Fraud by staff	H	Fidelity Guarantee in place	L	
	Actions undertaken by staff (eg resulting in council being ultra vires)	M	The Clerk should be provided with adequate training, reference books, access to assistance and legal advice required to undertake the role.	L	
	Health & Safety	M	The Council operates a robust Health & Safety Risk Assessment	L	
Audit Internal and External	Audits not carried out – council face financial penalties	H	Internal and External auditors appointed	L	
Annual Return	Not submitted within time limits resulting in financial penalties	M	Annual Return is completed, agreed by full council, signed by council chair and submitted to external auditor within time limit.	L	
Legal Powers	Illegal activity or payments	M	All activity and payments within the powers of the Town Council to be resolved and minuted at full council or finance committee meetings (including a reference to the power used where necessary e.g. Section 137)	M **	
Minutes/Agendas/Notices/Statutory Documents	Accuracy and legality	M	Minutes and agendas are produced to the required standard by the Clerk or Deputy Clerk and adhere to the legal requirements. Minutes are approved and signed at the next council meeting. Agenda and Minutes are displayed according to legal requirements. Deeds of property, Agreements and other financial papers which require secure keeping are kept in a fire resistant safe.	L	

Council records – Paper	Records lost/missing	M	Minutes are archived to central file at County. Legal papers are stored in fire resistant safe for required duration.	L
Council records - electronic	Records lost/missing	M	All council electronic records are backed up and/or stored in offsite cloud storage.	L
Data Protection Database	Breach of G D P R	M	Council has Records Management Policy in place. Councillors have .gov.uk email addresses	L
Freedom of Information	Council in breach of IOC guidelines	M	Council has policy in place to address freedom of information requests.	L
Website	Out of date	M	Clerk and members ensure content is updated regularly	L
	Hacked by third party	H	Maintained by reputable web service provider	L
Assets				
Council Property	Loss or damage to council property Risk/damage to third party property	M	Asset Register maintained. An annual review of assets is undertaken for insurance provision with any significant additions notified to insurers in the year. Insurance in place which is reviewed annually.	L
Reputational				
Councillors	Confidence in Councillors could be eroded due to lack of training and the potential failure of councillors to respect legal and democratic process	M	Councillors to undertake relevant training. Councillors to apprise themselves of relevant documents including Code of Conduct and Standing Orders	M ***

** Councillors will be undertaking whole council training in January 2024 with a specific module to include the awarding of grants under Section 137. Following that training the Risk Level of Control will be on track to reduce to a Low rating.

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Adopted September 2023

Review May 2024