



THATCHAM TOWN COUNCIL RISK MANAGEMENT STRATEGY 2024/25

1. Background

- 1.1. Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of Thatcham Town Council's objectives. Risk management is the process whereby Thatcham Town Council ('the Council') methodically addresses the risks associated with what it does and the services which it provides. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this, or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its priorities.
- 1.2. Risk management is not just about financial management; it is about protecting the achievement of objectives set by the Council to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation and can impact on the ability to achieve desired outcomes. The Council generally, and Members individually, are responsible for risk management.
- 1.3. Risk management is an ongoing activity that comprises four elements:
 - a. identifying risks
 - b. assessing risks
 - c. addressing risks, and
 - d. reviewing and reporting

2. Identifying risks

- 2.1. In order to manage risk, the Council must know what risks it faces. Identifying risk is, therefore, the first step in the risk management process.
- 2.2. Typical categories of risk are as follows:
 - a. financial – loss of money
 - b. security – fraud, theft, embezzlement
 - c. property – damage to property
 - d. legal – breaking the law or being sued
 - e. ICT – failure of ICT systems or misuse, and
 - f. reputational – actions taken that could harm the Council's public reputation.

3. Assessing risks

- 3.1 Once the key risks have been identified the potential consequences of a risk occurring (impact) and how likely this is (likelihood) must be assessed.
- 3.2 The risk assessment matrix below assigns a numerical score of low (1), medium (2), and high (3), for impact and likelihood. Multiplying the two scores arrives at a final risk assessment of high, medium or low for each risk. This enables the Council to then decide what measures to take to manage them.

Likelihood	Highly likely (3)	Medium (3)	High (6)	High (9)
	Possible (2)	Low (2)	Medium (4)	High (6)
	Unlikely (1)	Low (1)	Low (2)	Medium (3)
		Negligible (1)	Moderate (2)	Severe (3)

Impact

4. Addressing risks

- 4.1 Risk is unavoidable. The Council, however, takes steps to manage risks to a level which is tolerable in ways which can be justified. Its response to risk is called 'internal control' and involves one or any of the following reactions:
- a. Tolerate the risk:
 - i. for risks where the downside is containable with appropriate contingency plans.
 - ii. for risks where the possible controls cannot be justified because they would be disproportionate.
 - iii. for unavoidable risks, for example, terrorism.
 - b. Treat the risk:
 - i. by imposing controls so that the organisation can continue to operate.
 - ii. by setting up prevention techniques.
 - c. Transfer the risk - buying in a service from a specialist external body or taking out insurance.
 - d. Terminate the risk – this is appropriate for activities which involve intolerable risk or those where no response is available to bring the risk to a tolerable level.

- 4.2 Insurance (Appendix A) is used to manage risk in the following areas:
- a. The protection of physical assets owned by the Council – buildings, furniture, equipment etc (loss or damage)
 - b. The risk of damage to third party property or individuals as a consequence of the Council providing services or amenities to the public (public liability)
 - c. The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)
 - d. Loss of cash through theft or dishonesty (fidelity guarantee)
 - e. Legal liability as a consequence of asset ownership (public liability)
- 4.3 Buying services from specialist external organisations is used to manage risk in the following areas:
- a. Security for vulnerable buildings, amenities or equipment
 - b. Maintenance for vulnerable buildings, amenities or equipment
 - c. The provision of services carried out under agency/partnership agreements with principal authorities
 - d. Banking arrangements, including borrowing and lending.
 - e. Ad hoc provision of amenities/facilities for events
 - f. Vehicle or equipment lease or hire
 - g. Professional services (planning, architects, accountancy, design, etc.)

5. Reviewing and reporting

- 5.1 The key risks for the Council have been identified and assessed in a Risk Register (Appendix B). The Town Clerk has reviewed risks and assigned an overall score based on impact and mitigating actions.

Any operational risk classified as 'high risk' will be provided to Full Council along with any relevant action plans to mitigate the risk as they arise. In this way risk is embedded within Council process.

The 2024/25 review has identified no risk within the 'high' risk category. The Council's Strategic Risk Register is provided as an attachment.

APPENDIX A - THATCHAM TOWN COUNCIL – INSURANCE (SUMMARY)

Lines of Cover	Detail	Amount of Cover
Material Damage	Buildings Sum Insured	£10,172,138
Material Damage	Contents Sum Insured	£189,491
Business Interruption	Additional Expenditure	£50,000
Business Interruption	Loss of Gross Revenue	£120,000
All Risks	Individual / Collective Items	£1,477,109
Loss of non-negotiable money	Limit any one loss	£250,000
Loss of other money	Limit any one loss	£15,500
Public Liability	Limit of Indemnity	£15,000,000
Hirers' Liability	Limit of Indemnity	£2,000,000
Employer's Liability	Limit of Indemnity	£10,000,000
Libel and Slander	Sum Insured	£250,000
Fidelity Guarantee	Sum Insured	£1,000,000
Personal Accident	Cover is limited to £500k any one person and £2m any one incident	
Legal Expenses	Limit of Indemnity	£200,000



THATCHAM TOWN COUNCIL – STRATEGIC RISK REGISTER

This document is the Strategic Risk Register of Thatcham Town Council, as documented in the Risk Management Strategy

Ref	Risk/Trigger	Current Risk Management	Impact	Likelihood	Score	Action Required
RR01	Disaster impacting the Town	<ul style="list-style-type: none"> • Key individuals will make themselves available • Accept and respond to instructions from Category 1 responders, i.e. emergency services and West Berkshire District Council Emergency Planning Team • Actively listen for and monitor any communications • Common sense used to determine appropriate action in circumstances • Council buildings available to use as control/rest centres • Emergency Working Party and Officers to determine appropriate action, as required 	Severe 3	Unlikely 1	Medium 3	<ul style="list-style-type: none"> • Prepare Community Emergency Plan
RR02	Town Council office unserviceable	<ul style="list-style-type: none"> • No life-critical services provided from Council office • Emergency Working Party and Officers to meet to determine priorities • Senior Management Team called together to implement priorities and support staff • Short-term measure to recover in an alternative location • Medium/long-term plan to return to Council office • Insurance 	Moderate 2	Unlikely 1	Low 2	<ul style="list-style-type: none"> • Prepare Emergency Plan • Prepare Business Continuity Plan
RR03	Sudden loss of staff	<ul style="list-style-type: none"> • Tasks are shared to reduce impact • Internal training amongst colleagues • Procedure notes prepared and reviewed at least annually • Plans discussed and agreed with staff to provide immediate, short-term cover • Use of agencies/temporary staff/recruitment 	Moderate 2	Unlikely 1	Low 2	<ul style="list-style-type: none"> • Prepare Succession Plan

Ref	Risk/Trigger	Current Risk Management	Impact	Likelihood	Score	Action Required
RR04	Loss of financial assets i.e. sudden large items of expenditure required or excessive under-budgeting	<ul style="list-style-type: none"> • Town Council maintains adequate reserves • Robust budget preparation regime • Prudent budget monitoring throughout year; quarterly by Committee and monthly by Officers and Chairman of Finance and General Purposes Committee • Robust expenditure approval process • Budget forecasting over subsequent years • Committees review budget requirements in advance of precept being set by the Council • Insurance, as appropriate 	Severe 3	Unlikely 1	Medium 3	
RR05	Loss of money through fraud, theft, poor accounting systems	<ul style="list-style-type: none"> • Documented procedures in place to prevent/detect including authorisation and independent audit (Financial Regulations) • Internal and External Audit • Informal and formal monitoring and spot checks • Task sharing • Financial reports presented to Finance and General Purposes Committee at every quarterly meeting • Treasury Management Plan in place • Insurance in place to cover any resulting financial losses • Annual review of insurance • Limited cash kept on premises, in security safe, and always two-person accounted for • Two-Councillor signatories on bank accounts and payment approval process • Experienced, trained staff • Regular review of effectiveness of internal audit • Electronic banking procedures in place, with secure passwords and dual-authorisation on all transactions • Use of only recognised banks for banking and investment needs. Risks spread across four banks (Newbury Building Society, Close Brothers, Lloyds and Nationwide) 	Severe 3	Unlikely 1	Medium 3	

Ref	Risk/Trigger	Current Risk Management	Impact	Likelihood	Score	Action Required
RR06	Action of Council having undesired negative impact on other parties	<ul style="list-style-type: none"> • Transparent procedures and processes in place to reduce likelihood in day-to-day services • Experienced / trained staff • Expert / professional input sought where appropriate • Effective project management / action planning / risk management procedures in place for all defined projects • Insurance in place to cover any resulting financial losses • Councillors are elected rather than employed therefore, pose a potential reputational risk to the Town Council. Mitigation measures in place include: Code of Conduct, Register of Interests and Gifts and Hospitality, Non-Party Political culture encouraged, Councillors prepared to discuss any potential impacts, Councillor training plan. 	Moderate 2	Possible 2	Medium 4	
RR07	Services and tasks having undesired outcomes	<ul style="list-style-type: none"> • All services are covered by robust management plans, consisting; contracts, specifications, method statements and risk assessments • Expert / professional input sought where appropriate 	Moderate 2	Possible 2	Medium 4	
RR08	Contractors not supplying agreed services	<ul style="list-style-type: none"> • All contracts are controlled by defined contracts or service level agreements 	Moderate 2	Possible 2	Medium 4	
RR09	Damage to third party property or individuals as a consequence of the Council providing services or amenities to the public (public liability)	<ul style="list-style-type: none"> • Regular risk assessments and health & safety checks • Adequate and appropriate insurance • Training • Good property maintenance regime 	Moderate 2	Possible 2	Medium 4	

Ref	Risk/Trigger	Current Risk Management	Impact	Likelihood	Score	Action Required
RR10	Damage to third party property or individuals as a consequence of the Council putting on a community/civic event	<ul style="list-style-type: none"> • Risk assessments written for each event • Health & safety checks carried out for, and during, each event • Event checklist produced covering all aspects of the event including an Emergency Plan • Adequate and appropriate insurance 	Moderate 2	Possible 2	Medium 4	
RR11	Confidential data being disclosed	<ul style="list-style-type: none"> • Data protection policy in place and relayed to staff and Councillors • On essential confidential data held • Security measures in place and used i.e. safe storage, shredding • Any confidential aspects of reports are highlighted to Councillors and relevant officers • ICT security in place and managed by reputable ICT contractor, includes firewalls • Password protection for PCs and sensitive documents with regular password changes required 	Moderate 2	Unlikely 1	Low 2	
RR12	Damage to physical assets owned by the Council – buildings, furniture, equipment, complete loss of ICT etc	<ul style="list-style-type: none"> • An up-do-date register of assets maintained and annual physical verification of assets carried out • Regular safety checks and maintenance of physical assets, at least monthly • Adequate and appropriate insurance in place and reviewed annually • Buildings re-valued every five years • Computer backups off site • Reputable ICT support contractor • Buildings alarmed for security and fire • Staff training • All purchases from reputable sources 	Moderate 2	Possible 2	Medium 4	<ul style="list-style-type: none"> • Prepare Emergency Plan and Business Continuity Plan as per RR02

Ref	Risk/Trigger	Current Risk Management	Impact	Likelihood	Score	Action Required
RR13	Harm caused by failure to ensure adequate Health and Safety	<ul style="list-style-type: none"> • Risk Assessments carried out and reviewed annually • Health & Safety induction for all staff • Staff training including specific training provided as per risk assessment findings inc. First Aid • Good property maintenance and inspection regimes • Regular Health & Safety review meetings 	Severe 3	Unlikely 1	Medium 3	
RR14	Employer Liability	<ul style="list-style-type: none"> • Ensure compliance with Employment Law through use of consultants (Peninsula Business Services) • Comply with Inland Revenue requirements through use of external payroll provider (West Berkshire Council) 	Moderate 2	Unlikely 1	Low 2	
RR15	Proper financial management	<ul style="list-style-type: none"> • Robust accounting systems in place • Financial Regulations reviewed annually • Independent Internal Audit twice annually • External Auditor • Councillor dual-signatory requirement • Trained staff 	Severe 3	Unlikely 1	Medium 3	
RR16	Ensuring business activities are within legal powers	<ul style="list-style-type: none"> • Trained staff • Professional advice sought, when needed • Internal Audit 	Severe 3	Unlikely 1	Medium 3	
RR17	Physical safety of staff	<ul style="list-style-type: none"> • Lone working procedures • Training and advice • Good Health & Safety practices • Insurance 	Severe 3	Unlikely 1	Medium 3	
R18	Safekeeping of Council Minutes	<ul style="list-style-type: none"> • Stored in fire-proof safe • Archived Minutes stored at Berkshire Records Office 	Negligible 1	Unlikely 1	Low 1	

Ref	Risk/Trigger	Current Risk Management	Impact	Likelihood	Score	Action Required
RR19	Register of Members' Interests and Gifts & Hospitality	<ul style="list-style-type: none"> Ensure all Members complete a declaration of interest form at acceptance of office, and annual reminder to review 	Moderate 2	Unlikely 1	Low 2	
RR20	Compliance with Transparency Code	<ul style="list-style-type: none"> Compliance checked at least annually, or at issue of revised guidance 	Negligible 1	Unlikely 1	Low 1	