

## Risk Review

1. As part of its work to provide assurance about its governance, council is required to manage and identify risks. The framework within which this must be done is set out in Section 11 of your Financial Regulations.
2. The most recent iteration of councils risk register, dated 18/4/16, is attached.
3. The approach adopted does not provide confidence in the methods adopted, nor assurance that risks have been adequately managed.
4. The lack of clarity about the way in which the assessments of degree of risk have been reached (degree of risk is a function of the likelihood of a risk being fulfilled, and its impact) and the lack of clarity as to whether mitigation is potential mitigation or actual makes it hard to have faith in the document.
5. Similarly, the lack of clarity as to whether mitigation affects the likelihood of something happening (i.e. through controls or other safeguards) or the impact of it happening (through resilience methods or assurance) provokes concern as to whether the risk register was compiled in a robust way.
6. Council is therefore recommended to adopt a risk management methodology that shows, in numerical form, the likelihood and impact of a risk before and after mitigation, on a current mitigation basis, to adopt a formula for calculation of direction of travel, and to instruct the clerk to bring forward proposals for how a risk workshop might be convened, and its outcomes reviewed on a regular basis.

**Berwick-upon-Tweed Town Council**

**Risk Register**

<b>Ref</b>	<b>Objective</b>	<b>Description of risk</b>	<b>Pre-mitigation assessment</b>	<b>Mitigation</b>	<b>Post-mitigation assessment</b>	<b>Direction of Travel</b>	<b>Notes</b>
1.1	Promote the economic growth of Berwick, Spittal and Tweedmouth	Poor perception of the Council leading to lack of engagement by potential partners and lack of inflow of funds.	High	Organisation of Investors' Conference.  Active programme of securing third party funding.	Medium		
2.1	Encourage people to visit Berwick, Spittal and Tweedmouth	Poor image of Berwick, Spittal and Tweedmouth discouraging visitors	High	Steps to promote Berwick, Spittal and Tweedmouth as a place to visit	High		
2.2	Encourage people to visit Berwick, Spittal and Tweedmouth	Poor transport link discouraging visitors	Medium	Dialogue with transport providers and other statutory bodies to secure improvements	Low		
3.1	Maintain the environment of Berwick, Spittal and	Poor perception of the Council leading to lack	High	Neighbourhood plan.	Medium		

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	Tweedmouth	of impact with key players.		Specific funding to support environmental improvement initiatives.			
3.2	Maintain the environment of Berwick, Spittal and Tweedmouth	Knock-on impact on the environment of low economic growth.	Medium	See under economic growth objective.	Medium		
4.1	Maintain high standards of governance, integrity and transparency.	Risk of challenge to decision-making, complaints about conduct, additional costs in dealing with requests for information and reduced confidence in the Council.	High	Revised financial regulations drafted.	High		Some of the issues will be addressed by implementation of recommendations of independent consultant on financial management. Need to monitor implementation of action plan.  Identified commitment to demonstrate

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							consistently high standards. Tangible actions need to be identified and implementation monitored.
5.1	Adopt high standards of financial management.	Unauthorised transactions, irregularities, fraud or poor value for money more likely as a result of poor design and operation or system of internal financial controls	High	Financial Regulations and procedures in place but independent consultant identified problems with design and significant non-compliance.  Adoption of action plan in response to recommendations of independent consultant.	High		Some steps in the action plan in hand with assistance of independent consultant.  Identified need to develop plans for implementation of other recommendations and monitor implementation.
5.2	Adopt high standards of financial	Loss of assets.	High	Insurance cover.  Controls over	Medium		Need to implement and monitor implementation of

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	management.			cash and bank, including dual signatures on cheques, but weaknesses identified in independent consultant's review.			independent consultant's recommendations recognised.  Need to adopt an investment policy to diversify investments, reducing risk of loss.
6.1	Operate efficiently and effectively	Poor prioritisation, project management and skills utilisation leading to inefficiency and ineffectiveness.	High	Objectives drafted.	High		Recognition of need to: <ul style="list-style-type: none"> <li>- Agree and use objectives to manage the Council's business</li> <li>- Adopt project management approaches</li> <li>- Develop and use skills profiles</li> <li>- Improve</li> </ul>

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							decision-making with better information, including risk assessments to inform decisions.
7.1	Be a good employer	<p>Low morale impacting on operational effectiveness.</p> <p>Financial settlements as result of actual or threatened legal action.</p>	High	<p>Development of performance management, including objectives, appraisals and personal development plans.</p> <p>Engagement of support on introduction of performance management arrangements.</p> <p>Development of HR policies.</p>	High		Need to monitor implementation of agreed actions.

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8.1	Work in partnership with others	<p>Poor perceptions of the Council by partner organisations, hindering joint working.</p> <p>Historical tensions with potential partners, hindering joint working.</p> <p>Discontinuity in key players at partner organisations.</p>	High		High		Identified need to secure improvement by delivery, engagement, healing and inclusion. Need to convert to tangible, embedded mitigation.
9.1	Communicate clearly	Ineffective internal communication characterised by unstructured communication	High		High		<p>Identified need for protocols for internal communications.</p> <p>Scope to investigate</p>

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		and excessive emails, leading to poor decision-making.					different ways of storing and using information to improve internal communications.
9.2	Communicate clearly	Ineffective external communications meaning that bad publicity is accentuated and good publicity is not and public confidence in the Council is reduced.	High		high		Identified need for external communications strategy.
10.1	Be a learning organisation	Failure to learn from experience meaning that improvement is not secured.	High	Engagement of independent consultant to review financial management and assist in implementation.  Engagement of new internal	Medium		Need to monitor implementation of previous recommendations from independent consultant and auditors.  Need to identify further tangible

Ref	Objective	Description of risk	Pre-mitigation assessment	Mitigation	Post-mitigation assessment	Direction of Travel	Notes
				auditors with wide remit to review design and operation of Financial Regulations.			steps to secure necessary cultural change so that the Council is a 'learning organisation'



**RISK ASSESSMENT MATRIX FOR**

**RISK WORKSHOP  
DATE**

**Risk Owner:**

Present:

**Objectives:**

Risk	Impacts	Gross risk without any controls			Controls	Status	Effective-ness	Current Net risk with controls at current status			Control Owner	Assurance Source	Actions:
		Likelihood	Impact	Grading				Likelihood	Impact	Net Risk Grading			
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		LIKELIHOOD			
		1	2	3	4
IMPACT	1	1	2	4	5
	2	3	6	8	9
	3	7	10	13	14
	4	11	12	15	16

#### Asset register

1. Council is invited to note the attached asset register, which reflects the position before council accepted the transfer of significant playparks. Council is invited to note that as yet no work has been undertaken to add play areas to the asset register.
2. Council is invited to note that significant work will need to be undertaken to transfer the land holdings and play equipment into the asset register. Council is invited to note that work will be undertaken to ensure that the land holdings are the current assets (e.g. play equipment) are properly recorded in the assets register.
3. Council is recommended to delegate to the Interim Town Clerk / RFO authority to ascertain the correct accounting treatment of the land used for play areas, to ascertain the correct treatment of play areas, and to bring the revised asset register to a future meeting of council for approval.

## Pension Policy

### Background

1. Under government changes to pension schemes, enacted via the Pensions Act 2008, referred to as auto-enrolment, Council is required to make a declaration to the Pensions Regulator as to how it has met its legal duties.
2. This declaration must be made by 31 March 2017.
3. Currently council provides a pension for eligible employers who choose to remain in the scheme via NEST, the National Employees Savings Trust, Council makes a contribution to employees pensions of 10% of salary per annum.
4. Council is recommended to
  - a. Confirm its policy of providing a pension contribution of 10% for each member of staff enrolled in NEST, and
  - b. To delegate to the Interim Town Clerk authority to make the relevant declarations to the Pension Regulator.

## Coastal Community Team

### Background

1. Members are reminded of the following minute from 10 October 2016

C140/16 15. COASTAL COMMUNITY TEAM After a discussion it was RESOLVED, in order to contribute to the economic development of the town, to (i) Support the recommendations of the report, and (ii) To delegate to the clerk the power to pursue discussions with the CCT, before reporting back to council.

2. A decision as to whether the Berwick bid is likely to proceed is expected shortly.
3. Discussions with the Berwick Coastal Community team indicate that two Town Council representatives would be appropriate on their steering group.

### RECOMMENDATION

1. Council is recommended to indicate the names of two members who they wish to represent their on the Coastal Community Team in the event of the team's bid progressing.



Council  
Item 17  
Appendix I  
Monday, 23 January 2017

Date	What decision is requested	Why does this decision need to be made	Who requested it?	When does it need to be made?	Outcome
24/10/16	Whether to consider proposals to fund a music event in Berwick in 2017	Inquiry from Berwick residents and others	TC / NCC / Berwick residents	7/11/2016	Council to receive a presentation
2/11/2016	Whether to support the provision of yacht mooring facilities on the quayside – to fund scoping reports and to further fund construction	To support economic regeneration and tourism	Request from Cllr D Blackburn	29/11/2016	
30/10/2016	Approve MTFP	Financial regs	TC	November 2016	
2/11/2016	Tourism review – to review provision of management information, resources available for tourism promotion and support for social media activity.	In order to make better use of council resources and promote tourism as a driver of regeneration	TC	November 2016	
30/10/2016	As part of budget, to approve budget allocations for clerk and deputy town clerk as full time employees	Councillor proposal	E Goodyer	December 2016	
07/11/2016	Document retention policy and procedure note	As part of risk appraisal / management	TC	December 2016	
07/11/2016	Lone worker policy	As part of risk appraisal / management	TC	December 2016	
30/10/2016	Approve budget	Financial regs	TC	December 2016	
25/11/2016	Playground maintenance	To manage risk	TC	19 December 2016	
25/11/2016	Lions allotments	Negotiations Update (Confidential)	TC	19December 2016	
28/11/2016	FoI	Legal compliance	TC	19 December 2016	
30/11/2016	Whether the Town Council wishes to be used as a pilot.	Councillor proposal (Confidential)	E Goodyer	19 December 2016	

24/10/2016	Playground inspection regime 2017	Safety of playground users / risk management	TC	Jan 2017	
24/10/2016	Approve Risk Management Register	To comply with Financial Regs	TC	Jan 2017	
24/10/2016	Approve Asset Register	To Comply with Financial Regs	TC	Jan 2017	
7/11/2016	Pensions policy	Legislative change	TC	Jan 2017	
25/11/2016	Reserves policy	Best practice to review reserve provision	TC	Jan 2017	
19/12/2016	Heritage Lamp Stands	Councillor proposal	NCC / Councillors	Jan 2017	
25/11/2016	To review allotment provision	Legislative compliance	TC	Feb 2017	
10/01/2017	Extension of Hoppa Bus Service	Inquiry from Berwick resident	Resident	Feb 2017	
2/11/2016	To approve an investment strategy and list of counterparties	Financial regs	TC	Feb 2017	
25/11/2016	Growths and savings 2018/19	Best practice	TC	Sept 2017	