Penistone Town Council

Risk Management Policy 2026

Legal context

PTC (Penistone Town Council) has adopted this Risk Management Policy in accordance with guidance set out in Governance and Accountability for Local Councils - a Practitioners' Guide (England) issued by the Joint Practitioners Advisory Group (JPAG) and to give effect to the Health and Safety at Work Act 1974.

Compliance with this Policy ensures that PTC assesses and addresses the risks associated with its activities. This Policy aims to identify the steps needed to avoid or address risks and to provide increased confidence in PTC's corporate governance arrangements.

Risk

Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of PTC's objectives. Risk management is the process whereby PTC methodically address the risks associated with what it does and the services 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 authority's corporate governance arrangements and its ability to deliver its priorities.

Risk management is not just about financial management; it is about protecting the achievement of objectives set by PTC 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 authority generally and members individually are responsible for risk management.

Risk management is an ongoing activity that comprises four elements:

1) identifying risks;
2) assessing risks;
3) addressing risks; and
4) reviewing and reporting.

1.Identifying risks

To manage risk, PTC needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process.

PTC will identify the key risks to achieving successfully its priorities and service objectives, in the following categories:

a) Financial – loss of money; fraud, theft, embezzlement;
b) Property – damage to property;
c) Legal – breaking the law or being sued;
d) IT – failure of IT systems or misuse or data loss; and
e) Reputational – actions taken could harm PTC's public reputation.

2. Assessing risks

Having identified potential risks, PTC assesses the likelihood of it happening and the impact it would have, using JPAGs recommended assessment process. This allows PTC to identify low, medium and high risks when considering measures it should take.

PTC's risk assessment matrix:

Likelihood

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

Impact on the Council

3. Addressing risks

Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk, which is initiated within PTC, is called 'internal control' and may involve one or more of the following standard responses:

a) Tolerate - for risks that are containable; where the possible controls cannot be justified (e.g. they would be disproportionate) and where risks are unavoidable e.g. terrorism.
b) Treat - imposing controls so that the organisation can continue to operate; or introducing measures to deal with the risk.
c) Transfer - buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.
d) Terminate - avoiding or cancelling activities where no response can bring the risk to an acceptable level.

PTC will use insurance to help manage risk to include the following:

a) The protection of physical assets owned by the authority – buildings, furniture, equipment, etc. (loss or damage).
b) The risk of damage to third party property or individuals because of the authority 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 because of asset ownership (public liability).

The limited staff resources available to PTC means that it works with specialist external bodies to help manage risk include the following:

a) Security and maintenance for buildings, amenities or equipment.
b) The provision of services being carried out under agency/partnership agreements with principal authorities.
c) Banking arrangements, including borrowing or lending.

d) Ad hoc provision of amenities/ facilities for events to local community groups.
e) equipment lease or hire.
f) Professional services (planning, architects, computer services, HR advice, design, etc.).

4. Reviewing and reporting

Having identified likely risks, PTC records this in the PTC Risk Register. This Register is kept under review by the Clerk/Finance Officer and is reported to the FAHR Committee.

PTC Risk Register

Categories of risk

1. Financial
2. Property and Facilities
3. Legal
4. IT
5. Reputational

1 Financial

Risk No	Resp. Person	Description	Impact	Likelihood score	Impact score	Risk rating	Mitigation
1.1		Precept not sufficient for intended purpose	PTC has insufficient income for the forthcoming year	1	2	2	Budgeting process is robust – FAHR Committee reviews all proposed budgeted income and spend in the November and January meetings and reports the final budget to the whole council for consideration in January. Actual variances to revenue and spend are monitored and reported monthly to council in the Monthly Financial Summary and Monthly Budget Reports.
1.2		Loss of cash through theft or dishonesty (fidelity guarantee)	PTC loses income and assets	1	2	2	Small amounts of petty cash are kept securely in the offices. Cash from Paramount sales, approximately 90% of transactions are online, are kept in a safe and banked regularly. All payments are made electronically and subject to approval by three councillors. Insurance cover maintained.

1.3		PTC does not identify its risks	Financial, criminal or reputational loss.	1	2	2	Annual review of risk undertaken by FAHR Committee and Full Council and larger scale activities such as the Christmas Lights and Remembrance Parade events have a separate risk assessment carried out and reviewed by the Clerk. See Operational Risk Assessment Management Policy.
1.4		PTC is not insured adequately	Financial, criminal or reputational loss.	1	3	3	FAHR Committee reviews insurance policy annually to ensure adequate cover is maintained. Responsible Finance Officer/Clerk works with the broker annually to confirm adequate cover.
1.5		Failure to correctly award contract for services or the purchase of capital equipment.	PTC does not award contracts correctly resulting in financial or reputational loss to PTC.	2	2	4	Standing Orders are reviewed and Financial Regulations are reviewed annually. See Standing Orders, Financial Regulations. **Further Actions Required: Town Clerk to review procurement processes following 2025/26 internal audit.**
1.6		PTC does not act legally and exceeds its powers.	PTC risks financial and reputational loss.	1	3	3	PTC staff have access to free legal service and advice from NALC and YLCA and have a monthly contract for HR advice. The PTC Clerk is currently studying for the CILCA qualification to ensure continued high standards of competency. Quarterly checks of internal controls are carried out by a member of the FHR committee, and an internal audit is carried out each year with the Internal Auditor undertaking an independent review/check of the financial systems and internal controls. Section 137 spend expenditure is separately disclosed.
1.7		Activity does not match	PTC does not know of activity	1	2	2	Schedule of all payments submitted to Full Council each month. Three councillors are required to authorise all payments. Password protection for internet banking. Oversight of expenditure

		information reported.	undertaken and risks financial loss. An unauthorised activity takes place.				from payment schedule to cashbook and bank statements undertaken by the Internal Auditor.
1.8		Contracts are not reviewed annually.	PTC does not achieve value for money or works are not carried out correctly.	1	2	3	PTC contracts are reviewed on an ad-hoc basis currently. Suppliers are increasingly unwilling to submit quotes making it difficult to change current contracts. **Further actions required: Town Clerk to review all contracts and create a schedule of renewal.**
1.9		Failure to adhere to codes of practice for procurement and investment	Financial loss to the PTC.	1	2	2	Covered by Standing Orders and Financial Regulations; Professional advice from YLCA/Internal Auditor sought on larger projects. **Further Actions Required: Town Clerk to review procurement processes following 2025/26 internal audit.**
1.10		Failure to regularly reconcile bank accounts.	PTC is unaware of its financial position. Financial loss to the Council.	1	2	4	Monthly reconciliations undertaken by Finance Officer. Bank reconciliations reported to Full Council on a monthly basis. Quarterly review by member of FAHR committee. Annual review by Internal Auditor. Financial regulations 2.1,2.3.
1.11		PTC does not scrutinise	PTC is unaware of its financial	1	3	3	Monthly expenditure schedule reported to Full Council and signed by the Chair following approval. Regular budget monitoring reports

		income or expenditure.	position. Financial loss to PTC. Risk of reputational loss.				submitted to committees and PTC giving real time information about spend and income.
1.12		Salaries and contributions are not paid correctly.	PTCs risks reputational and financial loss	1	2	2	Salaries/weekly wages are processed by the PTC staff on a payroll system provided by Brightpay, a payroll software provider. The system calculates all employee deductions in line with current legislation. Wage/salaries are authorized the Clerk / councillors. PTC office salary increases are approved by the National Joint Council, and all other salary increases are approved by the council. Monthly reconciliations undertaken of PAYE/NI and Pension.
1.13		PTC fails to review contracts of employment for all staff and does not take account of any changes in relevant legislation.	PTC risks financial and reputational loss.	1	2	2	National Association of Local Councils model contracts used for PTC staff. All other employee contracts provided by Actus, our independent HR provider. **Further Actions Required: Town Clerk to review all Paramount employee contracts specifically relating to holiday pay and to potential screen 2 employment.**
1.14		PTC does not charge or claim back appropriate VAT	PTC risks financial loss.	1	2	2	Financial regulations set out requirements. VAT returns submitted online quarterly by the FO. Internal Auditor checks Annually.

1.15		PTC fails to make required submissions to HMRC and/or SYPA / NEST Pension Fund.	PTC risks being fined.	1	2	2	HMRC and pension submissions are made during weekly and monthly salary processing, with the system calculating the values to be paid. The system indicates whether the submissions have been successfully made. HMRC and pension deductions to NEST/SYPA are paid by DD.
1.16		PTC does not monitor its budgets adequately.	PTC is unaware of its income or expenditure against budget. Financial loss to PTC.	1	2	2	Regular budget monitoring statements & projections prepared by the Finance Officer and presented to Full Council monthly.
1.17		Minutes of meetings are not properly kept	PTC risks reputational damage. Risk of illegality of decisions.	1	2	2	Minutes are signed at the next corresponding meeting and filed in the Clerk's office. The minutes are also kept digitally and published on the PTC website. Standing Orders 1.2 etc **Further Actions Required: Minutes to be sent to BMBC for archiving.**

2. Property and Facilities

2.1		PTC Office - fire, loss or damage.	The loss or damage to buildings or assets will affect PTC's ability to carry out its business. Loss of rental income.	2	3	6	Fire alarms regularly checked and maintained. Fire-fighting equipment checked. **Further Actions Required: Repair and maintenance schedule to be prepared. Review security system and fire system.**
2.2		Penistone Town Council Office – assets	Financial and reputational loss to Penistone Town Council.	2	3	6	All buildings contents insured. Asset register reviewed annually. **Further Actions Required: Update fixed asset register with additional details of assets held and consider more frequent reviews.**
2.3		Paramount Cinema – fire, loss or damage.	The loss or damage to buildings or assets will affect the Paramount ability to carry out its business. Loss of	2	2	4	Building fully insured. Fire alarms regularly checked and maintained. Electrical testing carried out regularly. Security system regularly checked and maintained. CCTV system installed and maintained. Shutter and door locks maintained. **Further Actions Required: Repair and maintenance schedule to be prepared.**

			rental income.				
2.4		Paramount Cinema - risks to users	Claims for compensation arising from accidents, injuries and physical harm. Reputational risk.	2	3	6	Public Liability Indemnity (PLI) maintained through the insurance provider. **Further Actions Required: staff and volunteer training to be reviewed.**
2.5		SJCC - fire, loss or damage.	The loss or damage to buildings or assets will affect Penistone Town Council's ability to carry out its business. Loss of rental income.	2	2	4	Fire alarms regularly checked and maintained. Electrical testing carried out. CCTV system installed and maintained. Fire doors maintained. **Further Actions Required: Repair and maintenance schedule to be prepared.**
2.6		SJCC - risks to users	Claims for compensation arising from	1	2	2	Regular weekly inspections by caretakers and Town Clerk.

			accidents, injuries and physical harm. Reputational risk.				
2.7		Penistone Town Council	Equipment may become unsafe and cause risk of injury to users. Risk of legal claims for compensation and associated, reputational harm.	2	2	4	The publicly accessible Defibrillators are checked regularly by the Penistone Town Council caretaking staff. **Further Actions Required: Assess condition.**
2.8		Penistone Town Council	Equipment may be damaged and have to be removed from use. Potential financial loss to Penistone Town Council and	3	1	3	The publicly accessible Defibrillators are checked regularly by the Penistone Town Council caretaking staff. **Further Actions Required: Assess condition and timing of replacements.**

			reputational harm.				
2.9		Public convenience, Bus shelter – risk of accidents and/or loss/damage	Slips, trips and falls hazards. Risk of legal claims for compensation and associated, reputational harm.	1	3	3	Facility insured. Inspected daily by Penistone Town Council's caretaking staff, and any maintenance/repair issues are reported to the Penistone Town Council Clerk. Any damaged equipment, leaks or blockages are repaired as soon as possible following the report and the facility may be closed during this period depending on the risk involved.
2.10		Viewing Point - risk of accidents and/or loss/damage	Damage to property. Slips, trips and falls hazards. Risk of legal claims for compensation and associated, reputational harm.	2	3	6	Viewing Point insured through provider. Inspected weekly by Penistone Town Council's caretaking staff and any maintenance/repair issues are reported to the Penistone Town Council Clerk. Frequent damage caused by cars, litter, dog mess and graffiti also reported.
2.11		Outdoor Assets – Bins, Benches, Flower displays & Signage	Risk of injury (splinters, trip hazard, minor cuts etc) if outdoor	1	2	2	Assets are checked throughout the year by Penistone Town Council's caretaking staff. Damage caused by weather is routinely inspected, cleaned and/or repaired. Replacement and repairs are undertaken as required.

			assets are not well maintained. Risk of Vandalism or other damage to equipment which in turn could cause injury				
2.12		Open Space, Allotment activities – grass cutting, hedge trimming/cuttin g, managing shrubbery	Risk of injury to both public and staff if sensible precautions not put in place	1	2	2	Most work carried out by Penistone Town Council's caretaking staff. Safety equipment provided must be worn. Professional company engaged to cut / strim grassed area on steep banking after an employee accident.
2.13		Ownership of Trees – Penistone Town Council is responsible for a large number of trees on its land and open spaces.	Damage caused to or by trees which endangers public safety or causes legal nuisance to others.	2	3	6	Penistone Town Council trees are inspected by Penistone Town Council's Clerk and caretaking staff regularly. Action taken where necessary following inspection by an arboriculture contractor.

3. Legal

3.1		Legal liability as a consequence of asset ownership (public liability)	Penistone Town Council has to contest legal cases that may lead to financial or reputation loss.	1	3	3	Penistone Town Council maintains appropriate insurance cover through Glendinning's, who are a specialist local insurance provider, Commercial Combined, Management Liability.
3.2		The risk of damage to third party or individuals as a consequence of Penistone Town Council providing services or amenities to the public (public liability)	An insurance claim may be made against Penistone Town Council	2	2	4	All amenities and public open spaces, managed by Penistone Town Council are insured for public liability up to a maximum of £10 million. Risks are assessed on an annual basis, and facilities are monitored weekly by Penistone Town Council staff.
3.3		Legal liability as a consequence of an event (public liability)	Penistone Town Council has to contest legal cases that may lead to financial or	2	2	4	A risk assessment is carried out for each event and shared with key personnel. **Further Actions Required: Clerk to ensure all events are properly assessed and covered under our insurance policy.**

			reputation loss.				
3.4		Failure of professional services employed by Penistone Town Council.	Penistone Town Council may use unqualified or insufficiently qualified professionals leading to loss.	1	2	2	The Clerk is supported to obtain professional qualifications through CiLCA. Penistone Town Council will use properly accredited professionals who appear on approved contractor lists from SLCC or NALC; or have sought recommendation, proposals and quotes from 3 providers for any advice. Professionals should have in place professional indemnity insurance. **Further Actions Required: Clerk to ensure adherence to above.**
3.5		Loss of Clerk/RFO	Penistone Town Council may be unable to undertake all duties and responsibilities in a way that is complaint with current legislation	1	4	4	PTC has an Assistant Clerk who has vast experience of the duties and responsibilities of the clerk role and has worked side by side with the clerk for over three years. The Penistone Town Clerk's inbox and IT files are accessible by the PTC assistant Clerk. A locum Clerk may be also available through contact with SLCC. **Further Actions Required: Clerk to ensure all procedures are documented.**

4 IT

4.1		Business continuity	Loss of Penistone Town Council Office would restrict access to documentation	2	2	4	All digital files are stored in the Office 365 system which is cloud hosted. **Further Actions Required: to review all documents and data held in the PTC offices. Clerk to perform a data audit.**
4.2		Penistone Town Council risks losing files and data	Penistone Town Council is unable to carry out its business and regulatory requirements.	2	2	4	All digital files are stored in the Office 365 system which is cloud hosted. The accounting/booking software used is cloud hosted. See IT Policy. **Further Actions Required: to review all documents and data held. Clerk to perform a data audit.**
4.3		Unrestricted access to Penistone Town Council data	Penistone Town Council data is accessible to non-Council staff	2	2	4	Passwords are in place to access computers, datafiles, and finance systems. Filing cabinets are kept in a secure office. See IT Policy.
4.4		Accessing Electoral Roll data	An offence may occur if data is not used correctly	1	3	3	The data is password protected and can only be accessed with the authority of the Penistone Town Council Clerk.

5 Reputational

5.1		Penistone Town Council does not respond to enquiries from the public	Penistone Town Council risks reputational damage.	2	2	4	Telephone enquiries dealt with at the time and noted if considered important. E-mail and other mail dealt with and filed. Important communications shared with all members of Penistone Town Council.
5.2		Penistone Town Council fails to handle documents correctly.	Penistone Town Council risks reputational damage.	1	2	2	Policies are now in place in line with GDPR legislation. These cover the management, retention, transfer and disposal of data. All staff are briefed on their responsibilities in accordance with these Policies. See Data Protection Policy, IT Policy.
5.3		Members are unaware of Penistone Town Council's policy regarding declarations of interests and the receiving of	Penistone Town Council risks reputational damage.	1	3	3	Recording and monitoring members' interests, gifts and hospitality received undertaken by the Penistone Town Council Clerk. The Code of Conduct, Standing Orders and Financial Regulations are all reviewed annually by Penistone Town Council. New Penistone Town Councillors joining part way through a year/term are all issued with a copy of these key policies.

		gifts and hospitality					
5.4		Members (or employees) do not behave to the standards expected	Penistone Town Council risks reputational damage.	2	3	6	Code of Conduct for Members adopted.

This Risk Management Policy was adopted by the council at its meeting held on 20th July 2026.

Signed……………………………………………………………Town Mayor, 20th July 2026