

Review Date	Revision History
March 2023	Annual Review – no changes proposed.
September 2024	Proposed Changes Add overall policy text, merge with Risk Register, add new risks/impacts/mitigations & controls, sort by categories.

## **Risk Management Policy & Risk Register**

### **What is Risk Management?**

Risk is a threat that an event will adversely affect the council's ability to achieve its objectives and provide its services. Risk management is the process by which risks are identified, evaluated, addressed, and reviewed.

The council recognises that it has a responsibility to take all reasonable practical measures to safeguard its employees, the people it works with and provides services for.

The council is aware that some risks cannot be eliminated fully and has in place a risk register that provides a structured approach to managing risk and including where necessary, the introduction of internal controls and/or appropriate use of insurance cover.

### **Objectives of Risk Management**

- Integrate risk management into the processes of the Council.
- Manage risk in accordance with best practice.
- Minimise loss, damage, disruption, and injury.
- Inform decision making by identifying risks and likely impacts
- Identify and provide appropriate training
- Establish clear roles and responsibilities

### **Risk Management Process**

- Identify Risks - Risks are evaluated according to how likely they are to occur and their potential impact.
- Assess the probability of risk occurring considering current processes.
  - Document the mitigation measures in place to reduce the probability of the risk occurring.
- Assess the likely impact if the risk was to occur.
  - Document the controls to reduce the impact if the risk does occur.
- Insurance is a key control for many risks.
- Review the Risk Register annually and when the process changes.
  - New mitigation or controls may be needed.
- Add new risks as appropriate.

### **Roles and Responsibilities**

All members and staff of the Parish Council are responsible for risk management.

All members:

- Have collective responsibility in understanding the strategic risks that the council faces.
- Ensure that all identified risks have been considered in decision making with any mitigation or control measures defined.
- Agree and publish a Risk Management Policy and a Risk Register.
- Review the Risk Register annually and any Risk Management reports

Parish Clerk:

- Lead officer for delivery of risk management
- Oversees effective management of the policy and register
- Provides advice on service delivery and legislation
- Assess and provide insurance
- Assess financial implications.

### **Structure of Risk Register**

For ease of use the Risk Register is organised into Categories.

- Finance
- Physical Assets & St Aidan's Hall
- Council Activities
- Employer Liability

### **Evaluation of Risk**

Unlikely risk / Negligible Impact	Unlikely to impact activities
Possible risk / Moderate Impact	Additional resources required / some disruption
Likely Risk / Severe Impact	Serious impact even with controls in place

## Risk Management Register

(last updated 21/7/2024)

A	Finance Risks					
	RISK	PROBABILITY	IMPACT	MITIGATION (reducing probability)	CONTROL (reducing impact)	RESPONSIBILITIES
3	Loss of cheques or cash	LOW- cash or cheques are now rarely received.	Reduction in Council's financial resources.	<p>Prompt payment of receipts into Bank.</p> <p>Prefer all receipts to be paid into bank account by BACS.</p>	<p>Maintain adequate insurance cover.</p> <p>In Transit £5,000</p> <p>At Employee's Home £500</p>	Clerk
4	Financial loss due to banking error.	LOW- all online banking transactions require approval of Clerk plus 2 or 3 councillors	Reduction in Council's Financial resources.	<p>Current bank balance kept to minimum with excess in savings accounts to earn maximum interest.</p> <p>No more than £85,000 invested,</p> <p>No overdraft facility.</p> <p>Fixed monthly bank charge.</p> <p>Almost daily approvals of transactions.</p> <p>Monthly review of bank reconciliation at council meeting.</p>	<p>Maintain adequate insurance cover.</p> <p>FSCS £85,000 protection</p> <p>£250,000 Insurance policy</p>	Clerk and 4 Councillors on signature/access list (Finance Team)
5	Loss of monies due to fraudulent action by employee.	LOW – All online transactions require 2 or 3 approvals when above £3000	Reduction in Council's financial resources.	<p>2/3 Councillors approve bank transactions.</p> <p>4 Councillors have access to online bank statements.</p> <p>Expenditure approved by Council in minutes and</p>	<p>Application of regulations in NALC Financial Orders.</p> <p>Any losses are covered by £250,000 Fidelity</p>	<p>Clerk/Finance Team</p> <p>Clerk/Finance Team</p>

				cross referenced to Cash Book.	Insurance policy	Clerk/Council
	Loss of income from Precept - not submitted - not paid - not adequate	LOW- Diary entries for precept process.  LOW – received via BACS  LOW – monthly Spend to Date review	Major reduction in Council's financial resources	Precept setting is major calendar event.  Receive Receipt from Borough Council and BACS payment.  Spend to Date is online and includes committed expenditure	Adequate reserves for unexpected events.  Application of regulations in NALC Financial Orders.	Clerk/Council
	Loss of income from VAT refund	LOW – Diary entries for VAT process	Reduction in Council's financial resources	Application of Financial regulations.  Cash book has VAT column, with ongoing sum for next refund.	VAT from 4 previous years can be reclaimed from HMRC	Clerk
	Unexpected large expenditure	MEDIUM – considerable effort goes into budget planning, but a new opportunity or risk may arise during the year.	Unable to take advantage of opportunity. Delay to introduction of new service.	Review Reserves during budget planning to include a provision for unexpected events.	Have knowledge on sources of grants.  Maintain an appropriate reserve (6-12 months)	Council

B	Assets and St Aidan's Hall Risks					
	RISK	PROBABILITY	IMPACT	MITIGATION (reducing probability)	CONTROL (reducing impact)	RESPONSIBILITIES
1	Personal injury or damage to members of the public or their property arising from defects in Council Property.	MEDIUM - Council property comprises fixed installations such as benches/seats, bus stops, noticeboards and St Aidan's village hall	Claims for compensation and costs to the Council in defending claims where appropriate.	Regular maintenance and prompt repair of any reported damage.  Periodic review of Insurance cover and timely renewal.	Council's insurance policy - £12 million public liability.	Clerk
6	Damage to Council's assets through hire of Village Hall	MEDIUM – damage to building or damage/loss of assets in the building	Loss of assets until replaced.  Loss of income if damage is severe.  Repair/Replacement costs if less than insurance excess.	Regular maintenance and prompt repair of any damage.  Inventory of assets  Hire Agreement requiring compensation for loss/damage.	Insurance policies £2 Million Hirer's Liability £285,000 Village Hall £20,00 business interruption £11,000 Contents  Earmarked reserves for insurance excess values	Clerk
	Accidental damage to Council's assets or building (weather, fire, flooding, vandalism, vehicle incident etc.)	MEDIUM - Council property comprises fixed installations such as benches, bus stops, notice boards and St Aidan's Village Hall.	Loss of assets and its purpose.  Loss of income from village hall.  Repair/replacement costs	Regular maintenance and prompt repair of any damage.  Periodic review of Insurance cover and timely renewal.	Insurance policies  £285,000 Village Hall £20,00 business interruption £100,000 War Memorial £40,000 Street furniture £11,000 Contents	Clerk

C	Council Activities Risks					
	RISK	PROBABILITY	IMPACT	MITIGATION (reducing probability)	CONTROL (reducing impact)	RESPONSIBILITIES
7	Compensation claim resulting from negligent act or accidental omission by the Council or its employees.	LOW- given the limited activities of the Council	Potentially substantial cost to the Council.	Ensure Council decisions are based on full information including professional advice when necessary.	Risk covered by Council's public liability insurance policy £12 million.	Clerk / Council
8	Actions against the Council for libel or slander	LOW – proper conduct of Council meetings and Clerk's professional judgement regarding correspondence.	Potentially substantial cost to the Council.	Members' awareness of Codes of Conduct.  Proper conduct of meetings by Chair.  Professional advice from Clerk.	Risk covered by Council's libel /slander insurance policy £250,000.	Clerk / Chair
9	Failure to represent community interest adequately in relation to matters likely to impact significantly on the parish.	LOW – Parish Council well established as consultee.	Reduction in local facilities and/or quality of life or missed opportunity to benefit from external funding or advice.	The council is recognized by other agencies for consultation and information.  Membership of LALC, NALC and SLCC.  Attendance at Borough liaison committee.  Clerk receives all Borough Council papers and other publications.	Threats and opportunities reported to Council meetings.  Special meetings to be called as required.	Clerk / Council
10	Cost of Elections and Referendums	LOW – No by-election in 10 years.	Significant cost	Borough Council pays costs of parish elections when coincide with Borough elections although not legally required to.	Ensure suitable provision in Earmarked Reserves	Council

11	Loss of information through computer failure, virus or hacking.	MEDIUM	<p>Loss of historical information.</p> <p>Disruption to current activities</p>	<p>Legal documents are printed and filed.</p> <p>1895 to 1995 filed at County Council Archive.</p> <p>Use offline and online storage for all information.</p> <p>Use virus protection on PC and laptops.</p>	<p>Google online storage for documents is shared for resilience.</p> <p>Email is provided by .gov.uk approved supplier..</p>	Clerk
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D	Employees Risks					
	RISK	PROBABILITY	IMPACT	MITIGATION (reducing probability)	CONTROL (reducing impact)	RESPONSIBILITIES
2	Compensation claims by employees or contracted person in respect of injury sustained in the cause of his/her employment.	LOW- given the nature of the Clerk's activities.	Claims for compensation and associated costs.	Health & Safety Policy  H&S Training	Potential Liabilities including costs covered by Council's £10 M Employers Liability insurance policy	Clerk
	Risks associated with home working.	LOW – majority of staff likely to be experienced in working from home. Common in parish councils, becoming more common in all businesses.	Short term unavailability to work due to injury or illness.	Health & Safety Policy on maintaining a safe working environment at home. .  H&S Training  Visual Display Equipment risk assessment.	Experienced councillors who can cover short term periods of absence.  Earmarked reserve for employing a Locum Clerk	Clerk
	Unavailability of staff through long term illness/ sudden resignation	MEDIUM - difficult to predict	Disruption to Council activities	Earmarked reserve for employing a Locum Clerk.	Experienced councillors who can induct a temporary Locum Clerk or deputise for Clerk by standing back from Councillor duties.	Council
	Loss of key personnel leads to a loss of information on Council's processes and history.	MEDIUM – when recruiting replacement staff	Disruption to Council activities	Promote use of intranet to store the organisation's knowledge to ensure business continuity.  Council's document history on public website.  Add more information on processes to Council Intranet  Review employment terms annually to ensure Clerk's position remains competitive and attractive.	Experienced councillors who can induct a new clerk.  The council Intranet documents all the processes, so it is easier to train replacement staff and retain knowledge.	Clerk/Council

	Poor performance of employees	LOW	Disruption to Council activities	Annual staff appraisals. Discipline Policy Grievance Policy	Monthly review of all activities and progress.	Chair/HR Team
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