

RISK MANAGEMENT POLICY

1. Introduction

- 1.1. This policy sets out how the Council will identify, assess and manage risks. This policy allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities and to maintain its integrity.
- 1.2. The policy has been adopted 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 also to comply with the Health and Safety at Work Act 1974.

2. The Risk Management Process

- 2.1. Risk management is the process whereby the Council methodically addresses 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 minimise the impact of the risks identified, or successfully manage the consequences if the risks occur or terminate the activity that could cause the risk. Effective risk management allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities.
- 2.2. Risk management is not just about financial management; it is about protecting the ability of the Council to deliver high quality and safe 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 of the activities associated with the running of the Parish Council.
- 2.3. Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks (probability and impact); managing the risks to a level which is as low as reasonably practicable; and reviewing and reporting.

3. Identifying Risks

- 3.1. In order to manage risk, the Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process and is carried out as a minimum on a yearly basis and when a risk is identified during the course of Parish Council work.
- 3.2. The Council will identify the key risks to successfully achieving its outcomes and services, in the following categories:
 - 3.2.1. assets – damage to property.
 - 3.2.2. financial – loss of money, fraud, theft, embezzlement
 - 3.2.3. liability – breaking the law or being sued which includes Health and Safety requirements
 - 3.2.4. IT – failure of IT systems or misuse; and
 - 3.2.5. Councillor propriety – actions taken could harm the authority's public reputation.
- 3.3. Separate general risk assessments are carried out for each Council asset and for any new services and events, in line with the requirements of the Council's insurers. These are carried out by the Clerk, drawing on the expertise of Councillors. All general risk

assessments are reviewed by the Clerk when the risk assessment has been carried out and by Full Council at least annually. The following general risk assessments are carried out.

3.3.1. Burial Ground Risk Assessment

3.3.2. Financial Risk Assessment

4. **Assessing Risks**

4.1. Having identified potential risks, the Council assesses the probability of it happening and the impact it would have. This allows the Council to identify low, medium and high risks when considering what measures it should take.

5. **Managing Risks**

5.1. 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 the Council, is called 'internal control' and may involve one or more of the following standard responses:

5.1.1. **Tolerate:** For risks that are containable; where the possible controls cannot be justified (e.g., they would be disproportionate) and where risks are unavoidable (Probability of event is very low and impact is very high or the risk could not be reasonably expected to occur) e.g., terrorism.

5.1.2. **Treat:** Imposing controls so that the organisation can continue to operate; or introducing measures to deal with the risk by reducing either the probability of the risk occurring or the impact if it does occur.

5.1.3. **Transfer:** Buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.

5.1.4. **Terminate:** Avoiding or cancelling activities where no response can bring the risk to an acceptable level. The risk therefore no longer exists.

5.2. The Council will use insurance (transfer risk) to help manage risk including the following:

5.2.1. The protection of physical assets owned by the authority – buildings, furniture, equipment etc (loss or damage)

5.2.2. The risk of damage to third party property or individuals as a consequence of the authority providing services or amenities to the public (public liability)

5.2.3. 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)

5.2.4. Loss of cash through theft or dishonesty (fidelity guarantee)

5.2.5. Legal liability as a consequence of asset ownership (public liability)

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

5.3.1. Maintenance for vulnerable buildings, amenities or equipment

5.3.2. The provision of services being carried out under agency/partnership agreements with principal authority.

5.3.3. Banking arrangements, including borrowing or lending

5.3.4. Professional services (insurance provider, certified experts/inspectors, payroll provider, solicitors etc.)

6. **Reviewing and Reporting Risks**

6.1. The Council records risks Risk Assessment Register (Appendix A). This register is kept under review by the Clerk and updated at the time that a risk is raised. It is reviewed by Full Council at least annually.

6.2. New safety risks are raised with the parish council at the earliest opportunity for action.

Adopted: July 2021

Reviewed:

Appendix A – Risk Assessment Register



Risk Assessment Register

The Risk Assessment Register has been produced to identify the risks the Parish Council faces, their level and the mitigating steps that Council is taking to minimise them. It replaces the General & Management Risk Assessment Policy, re-adopted by Council on 20th April 2020.

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Councillors	Risk of councillor resignation(s) resulting in Council becoming inquorate and therefore unable to make legal decisions.	L	Encourage and promote the retention of high quality councillors. Advertise vacancies on social media and on noticeboards. Encourage candidates to stand for election. Promote becoming a councillor to interested parties. Implement Co-option Procedure as soon as a vacancy arises.	Review NCALC Co-option Procedure.
Councillors	Risk of councillor(s) acting illegally.	L	Provide new councillors with "The Good Councillor Guide." Require new councillors to attend NCALC training courses. Signpost councillors to NCALC briefing notes and other resources to keep abreast of key changes and updates.	Review post elections.
Councillors	Risk of councillor(s) breaching Code of Conduct.	L	Provide councillors with a copy of the Code of Conduct on joining. Publish Code of Conduct on website. Remind councillors to adhere to Code of Conduct. Consult with NALC for guidance if required. Report any issue to Standards Committee.	Revise Code, in line with guidance from NCALC, when NWC provide its update.
Business Continuity	Risk of Council being unable to function due to unexpected or tragic circumstance.	L	Keep Business Continuity Plan up to date. Insure against Business Interruption.	Adequate provisions are in place.
Assets	Risk of injury to public.	L	Visually inspect assets regularly. Engage experts to carry out surveys and assessments. Insure against Public Liability up to £10 million.	Review Memorial Testing as this should be carried out by BRAAM certified, trained personnel.
Assets	Risk of theft or vandalism.	L	Inspect assets regularly. Update Asset Register including locations regularly. Mark Council property with stickers where appropriate. Insure against Property Damage and Theft.	Adequate provisions are in place.

Maintenance	Risk of poor performance or damage to others' property by Council's contractors.		Carry out site visit(s) and consult with near neighbours. Specify contractor's scope of work in advance. Provide contractor with map/plan/photographs as appropriate. Check contractor's insurance certificate. Inspect and photograph work on completion.	Adequate provisions are in place.
Employees	Risk of loss of key personnel.	L	Increase Clerk's notice period to six weeks. Require a detailed handover, if possible. Contact NCALC and SLCC Locum service to arrange interim cover.	Adequate provisions are in place.
Employees	Risk of fraud or loss of funds.	L	Review financial processes and procedures regularly. Appoint an Internal Controller, separate to RFO. Insure against Employee Dishonesty (Fidelity Guarantee).	Adequate provisions are in place.
Employees	Risk of compensation claim from employee for malpractice or injury.	L	Issue Contract of Employment. Review job description and carry out appraisals annually. Provide appropriate Health & Safety Policy. Provide appropriate Working from Home Policy. Insure against Employers Liability up to £10 million.	Review as part of annual policy review process.
Financial	Risks identified in Financial Risk Assessment document.	L/M	Management/Control of Risk identified in Financial Risk Assessment document.	Adequate provisions are in place.
Meeting Location	Risk of transmission of Covid-19 when in person meetings resume.	M	Require hand sanitisation by all council members and members of the press and public attending. Require 2M distance maintained inside the meeting venue. Maximise ventilation opening doors and windows. Minimise the duration of the meeting by planning a succinct agenda and chairing to prevent digressions and deliberations.	Inadequate procedure. Requires full assessment before May Meeting.
Meeting Location	Risk to personal security on leaving the meeting location.	L	Ensure that more than one council member is present to secure and lock the building.	Adequate provisions are in place.
Council Hardcopy Records	Risk of loss of due to fire, theft or damage.	L	Lock council records in fire resistant cabinet at Parish Office Maintain monitored security alarm at Parish Office. Lock current working papers in Clerk's Office. Check smoke alarm and fire extinguisher in Clerk's Office quarterly.	Adequate provisions are in place.
Council Electronic Records	Risk of loss of due to fire, theft or damage.	L/M	Back up laptop to the cloud. Install and keep up to date anti-virus software. Do not open links or attachments in unsolicited emails before verifying that the sender is genuine.	Adequate provisions are in place.

Adopted: April 2021