Old Weston Parish Council

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Risk Management Policy

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1. Introduction

1. 1.1. Old Weston Parish Council has adopted this risk management policy using guidance set out in “AGS Assertion 5 – Risk management” of the Joint Practitioners Advisory Group (JPAG) – Practitioners’ Guide[1]

1.2. This document sets out the:

- Parish Council’s Risk Management Policy
- Objectives of Risk Management
- Types of Risk
- Roles and responsibilities
- Risk Management process
- Approach to future monitoring

1.3. This policy aims to further develop risk management and raise its profile across the Parish Council by:

- Integrating risk management into the culture of the organisation;
- Embedding risk management through the ownership and management of risk as part of all decision-making processes;
- Managing risk in accordance with best practice.

2. The Policy

2.1. Old Weston Parish Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise its opportunities.

2.2. The Parish Council is aware that some risks can never be eliminated fully and its strategy provides a structured, systematic and focussed approach to managing risk.

2.3. Risk Management is an integral part of the Parish Council’s management processes.

3. Objectives of Risk Management

3.1. The objectives of risk management are to:

- Identify, evaluate and manage the opportunities and risks to which the Parish Council is exposed, at strategic and operational level;
- To protect physical assets, promote employee and public safety and maximise resources;
- Embed risk management into day-to-day management and working arrangements;
- Enable effective and safe delivery of services to local people and to minimise the risk of significant failures
- Enable the identification of opportunities and risks associated with the Council’s budget options and business planning to ensure that opportunities and risks are controlled;

- Enable better, more informed decision making at all levels;
- Review, evaluate and implement issues identified from past experience;
- To promote good corporate governance;

3.2. It is the responsibility of all Members and staff to have regard for risk management whilst carrying out their duties.

3.3. This strategy will enable risks and opportunities to be identified, evaluated, controlled, monitored and reported.

3.4. Seek assurances that action(s) are being taken on risk related issues identified by auditors and inspectors.

4. Types of Risk

4.1. 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.

4.2. The Council will identify the key risks to achieving its priorities and service objectives:

- financial - loss of money;
- security - fraud, theft, embezzlement;
- property - damage to property;
- legal - breaking the law or being sued;
- IT – failure of IT systems or misuse; and
- reputational – actions taken could harm the authority's public reputation.

5. Roles and Responsibilities for Risk Management

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

5.2. All Members:

- Have collective responsibility in understanding the strategic risks which the Parish Council faces.
- Ensure that all identified risks have been considered in decision making and countermeasures and controls are defined.
- Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Parish Clerk.
- Monitor the effectiveness of the Parish Council's risk management arrangements by reviewing any risk management reports to Council.

5.3. Parish Clerk:

- The lead officer for risk management.
- Has the responsibility to understand the strategic and operational risks that the Parish Council faces and to oversee the effective management of these risks by officers.
- Lead on the corporate governance agenda which includes risk management and with the Council's Chair approve the Annual Governance Statement.

- Ensure that risks are fully considered in all strategic decision making and that the Risk Management Policy helps the Parish Council to achieve its objectives and protection of assets.
- Provides advice as to the legality of policy and service delivery and update the Parish Council on the implications of new or revised legislation.
- Assess and implement the Council's insurance requirements.
- Assess the financial implications.

5.4. Councillors:

- Support the Parish Clerk in all aspects of risk management.
- Understand the strategic and operational risks that the Parish Council faces.
- Ensure that a structured and systematic approach is in place for the identification, recording and reporting of risks and opportunities.
- Ensure that risks are fully considered in all decision making and that the Risk Management Strategy helps the Parish Council to achieve its objectives and protection of assets.
- Report systematically and promptly to the Parish Clerk any perceived new risk or failure of existing control measures.
- Record areas of risk which fall directly within their day-to-day areas of control and review in line with agreed target dates.
- Provide a pro-active role in the reporting and assessing of physical risks in respect of public, staff and property.

6. The Risk Management Process

6.1. The process of risk management is straight forward and involves a number of key steps which are outlined below.

Step 1: Identification of Risks

6.2. The Parish Clerk is responsible for identifying and recording any risks. Identification will be either via a formal process of planned inspections, ad-hoc requests or risks being noted through everyday working situations.

6.3. When changes to working arrangements, new initiatives, events or projects are to be undertaken the Clerk will seek to identify any risks early in the planning process and prior to implementation.

6.4. Each risk should be described and set out on a risk assessment form.

6.5. All risks identified must be recorded on the risk register.

Step 2: Evaluation of Risks

6.6. On identification of a risk the Clerk will assign a risk factor by reference to the risk matrix.

6.7. The risk matrix considers the likelihood of a risk materialising and the impact it would have.

6.8. According to the level of risk identified appropriate action should be taken.

6.9. If the level of risk is high it may not be possible to wait until a formal response or action has been agreed by the Council.

Step 3: Mitigation of Risk

6.10. The Parish Clerk should consider what controls are in place to mitigate the risk. These could include controls to reduce the likelihood of a risk occurring or to reduce the impact on the Parish Council.

Step 4: Decide on Any Further Action to be Taken

6.11. Following evaluation there are four main control options to manage the risk:

Terminate the risk – take a decision to discontinue the activity

Transfer the risk – the risk is 'passed' on e.g. to an insurer

Treat the risk – put in place additional effective controls to reduce the impact or likelihood

Tolerate the risk – accept the risk but continue to monitor and evaluate.

6.12. Where additional controls are required, these should be agreed with the Chair and Vice-Chair, and details entered onto the risk assessment form and the Parish Council notified at its next meeting.

Step 5: Allocation of Responsibility

6.13. Each risk should be passed to the Parish Clerk who will be responsible for implementing controls and ensuring they are working. The Clerk will also be responsible for monitoring the risk.

Step 6: Completing the Risk Register

6.14. All risk assessments must be recorded in the risk register.

Step 7: Monitoring and Reporting

6.15. An annual review of the current risk register and risk management arrangements for the Parish Council will be conducted by the Council.

Approval

This policy was approved at the Parish Council meeting of May 2025 and adopted with immediate effect.

This policy will be reviewed every three years.