



Risk Management Policy

Document Configuration Management & Control

Version	Description	Originated	Approved	Minute Ref
Version 1	Annual Review	23/05/2023	23/05/2023	23/24-35.2

1. Introduction

1.1. Graveley Parish 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.

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. Graveley Parish Council recognises that it has a responsibility to manage risks effectively 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 experience.
 - To promote good corporate governance.
- 3.2. It is the responsibility of all Members and staff to have regard for risk management whilst performing 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. 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:
- i. financial - loss of money.
 - ii. security - fraud, theft, embezzlement.
 - iii. property - damage to property.
 - iv. legal - breaking the law or being sued.
 - v. IT – failure of IT systems or misuse; and
 - vi. 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 and owner of the Risk Management Strategy.
- 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. Role of Internal Audit:

- Provide a scrutiny role by conducting audits to provide independent assurance to Members, via the Internal Auditor's annual audit plan and post audit report that the necessary risk management systems are in place.

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.

7. Step 1: Identification of Risks

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

7.2. 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.

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

7.4. All risks identified must be recorded on the general risk assessment.

8. Step 2: Evaluation of Risks

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

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

Likelihood	Severity					
	Multiple Death (10)	Single Death (8)	Major Injury (6)	Lost Time Injury (4)	Minor Injury (2)	Delay (1)
Certain (10)	100	80	60	40	20	10
Very Likely (8)	80	64	48	32	16	8
Likely (6)	60	48	36	24	12	6
May Happen (4)	40	32	24	16	8	4
Unlikely (2)	20	16	12	8	4	2
Very Unlikely (1)	10	8	6	4	2	1

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

8.4. 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. The risk factor table below provides guidance in assessing appropriate action.

Risk Factor		Action
37 – 100	Very High/ High	Immediate notification to Chair and Vice Chair Identify remedial action for consideration and implementation.
17 – 36	Medium	Immediate notification to Chair and Vice-Chair.
1 – 16	Low	Notify Chair and Vice-Chair.

9. Step 3: Mitigation of Risk

9.1. 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.

9.2. Only existing controls that are already in place should be considered and included on the risk assessment/notification form.

10. Step 4: Decide on Any Further Action to be Taken

10.1. 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.

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

11. Step 5: Allocation of Responsibility

11.1 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.

12. Step 6: Completing the General Risk Assessment

12.1 All completed risk assessments must be passed to the Clerk for checking prior to entering onto the general risk assessment.

12.2 All risk assessments must be recorded in the general risk assessment. To assist with the management of the general risk assessment, items will be grouped into separate files which may include:

Assets	A
Management	M
Finance	F

13. Step 7: Monitoring and Reporting

13.1 An annual review of the current general risk assessment and risk management arrangements for the Parish Council will be conducted by the Full Council.

13.2 The Parish Council’s risk management strategy will be also reviewed as part of the internal control environment within the Annual Governance Statement. This is agreed annually by the Parish Council.