



**Risk management policy
November 2024**

VERSION CONTROL:

Version ID	Description of Change	Version Sponsor	Policy Owner	Version creation date	Version Approval Date	Next Review Date
1.0	Policy creation (replaces limited previous policy)	Adam Killeya, Parish Clerk	Policy & Resources Committee	29/08/24	09/12/24	May 2025

1 Purpose of policy

This policy sets out how the Council will identify, quantify, manage, assess and review risks

1.1 Burnham 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 also to give effect to the Health and Safety at Work Act 1974.

1.2. Burnham 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.

1.3. 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.

1.4 This document sets out the:

- Parish Council’s risk management policy and policy review
- Objectives of risk management
- Types of risk
- Roles and responsibilities
- Risk management process

1.5. 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.

1.6 This policy and the accompanying register of risks will be reviewed annually.

2 Objectives of risk management

2.1. 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;
- 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;
- promote good corporate governance;

2.2. It is the responsibility of all Members and staff to have regard for risk management whilst carrying out their duties; and to take appropriate action with respect to risks highlighted by others, including auditors, external risk assessors and members of the public.

3 Types of risk

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.

3.2. The Council will identify the key risks to achieving its priorities and service objectives, recognising that these types of risk often overlap – for example any legal risk is likely to also carry a reputational risk; security risks usually also carry financial risks etc:

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

4 Roles and responsibilities

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

4.2. All Members are collectively responsible for:

- understanding the strategic risks which the Parish Council faces;
- ensuring that all identified risks have been considered in decision making and countermeasures and controls are defined;
- agreeing and publishing a clear Risk Management Policy and oversee the effective management of risks by the Parish Clerk.
- monitoring the effectiveness of the Parish Council's risk management arrangements by reviewing any risk management reports to Council.

4.3 The Parish Clerk:

- Is the lead officer for risk management and implementation of the Risk Management Policy.
- 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.
- Leads on the corporate governance agenda which includes risk management and with the Council's Chair approve the Annual Governance Statement.
- Ensures 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.
- Assesses and implement the Council's insurance requirements.
- Assess the financial implications of risk.

4.4 Other named staff, including the Hall Manager, Finance Manager, Assistant Clerk and Head Groundsman:

- Understand the specific areas of risk in which they have particular responsibilities, in accordance with the risk register.

4.5. All employees:

- Understand their accountability for individual risk.
- Understand how they can enable continuous improvement of risk management.
- Understand that risk management and risk awareness are a key part of the organisations culture.
- 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.

4.6. Internal Audit:

- Provides a scrutiny role by carrying out 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.

5 Risk management process

5.1. The process of risk management involves a number of key steps which are outlined below.

Step 1: Identification of Risks.

The Parish Clerk is responsible for identifying and recording any risks in the Schedule of Risks. Identification will be either via a formal process of planned inspections or ad hoc requests or risks being noted through everyday working situations. 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. All risks identified must be recorded on the risk register.

Step 2: Evaluation of Risks

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

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

	Impact of risk		
	1: Low	2: Medium	3: High
Likelihood of risk			
3: High	3: Medium	6: High	9: Very High
2: Medium	2: Low	4: Medium	6: High
1: Low	1: Low	2: Low	3: Medium

According to the level of risk identified appropriate action should be taken. If the level of risk is high it may not be possible or desirable to wait until a formal response or action has been agreed by the Council; and this may require the Clerk to use their delegated authority to spend, including outside of budgets, as permitted by financial regulations.

Depending on the risk identified it may be appropriate to report it to the Chair of the appropriate committee, to a meeting of the appropriate committee, or to full council.

Step 3: Mitigation of Risk

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

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.

Step 5: Allocation of Responsibility

Each risk should be passed to the Parish Clerk who will be responsible for delegating responsibilities as appropriate to role and grade, overseeing the implementation controls and ensuring they are working. The Clerk will also be responsible for monitoring the risk.

Step 6: Monitoring and Reporting

Meetings of the Policy and Resources Committee, and other committees as appropriate to their responsibilities, will consider risk management to ensure that any developments or issues are addressed.

An annual review of the current risk register and risk management arrangements for the Parish Council will be conducted by the Policy and Resources Committee and reported to the Full Council.

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 in June.