COLWICH PARISH COUNCIL

PD007
RISK MANAGEMENT POLICY

Risk Management – PD007

Revision history

This document was originally written by:

Name	Position	Date
Michael Lennon	Clerk	2nd March 2023

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Revision History

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1		PD020-01	Initial Issue	NA
2	12/2023	PD020-02	Annual review	none
3	05/2025	PD007-03	Annual review New number	All

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RISK MANAGEMENT

1. INTRODUCTION

1.1. Colwich Parish Council (the 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. This document sets out the:
1.2.1 The Council's Risk Management Policy.
1.2.2 Objectives of Risk Management.
1.2.3 Types of Risk.
1.2.4 Roles and responsibilities.
1.2.5 Risk Management process.
1.2.6 Approach to future monitoring.

1.3 This policy aims to further develop risk management and raise its profile across the Council by:
1.3.1 Integrating risk management into the culture of the organisation.
1.3.2 Embedding risk management through the ownership and management of risk as part of all decision-making processes.
1.3.3 Managing risk in accordance with best practice.

2. POLICY

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

2.2 The 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 Council's management processes.

3. OBJECTIVES OF RISK MANAGEMENT

3.1 The objectives of risk management are to:
3.1.1 Identify, evaluate and manage the opportunities and risks to which the Council is exposed, at strategic and operational level.
3.1.2 To protect physical assets, promote employee and public safety and maximise resources.
3.1.3 Embed risk management into day-to-day management and working arrangements.
3.1.4 Enable effective and safe delivery of services to local people and to minimise the risk of significant failures.
3.1.5 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.
3.1.6 Enable better, more informed decision making at all levels.

3.1.7 Review, evaluate and implement issues identified from past experience.
3.1.8 To promote good corporate governance.

3.2 It is the responsibility of all Councillors and officials to have regard to risk management whilst carrying out their duties.

3.3 This policy shall 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 shall identify the key risks to achieving its priorities and service objectives:
4.2.1 Financial - loss of money.
4.2.2 Security - fraud, theft, embezzlement.
4.2.3 Property - damage to property.
4.2.4 Legal - breaking the law or being sued.
4.2.5 IT – failure of IT systems or misuse.
4.2.6 Reputational – actions taken could harm the Council's public reputation.
4.2.7 Health and Safety (H&S) – injury to Councillors, officials and members of the public.

5 ROLES AND RESPONSIBILITIES

5.1 All Councillors:
5.1.1 Have collective responsibility in understanding the strategic risks which the Council faces.
5.1.2 Ensure that all identified risks have been considered in decision making and countermeasures and controls are defined.
5.1.3 Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Chief Officer.
5.1.4 Monitor the effectiveness of the Council's risk management arrangements by reviewing any risk management reports to Council.
5.1.5 Know how the Council shall manage and operate in a crisis through its approved Business Continuity.

5.2 Chief Officer:
5.2.1 The lead officer for risk management.
5.2.2 Has the responsibility to understand the strategic and operational risks that the Council faces and to oversee the effective management of these risks by officers.
5.2.3 Lead on the corporate governance agenda which includes risk management and with the Council's Chairman approve the Annual Governance Statement.

5.2.4 Ensure that risks are fully considered in all strategic decision making and that the Risk Management Policy helps the Council to achieve its objectives and protection of assets.

5.2.5 Provides advice as to the legality of policy and service delivery and update the Council on the implications of new or revised legislation.

5.2.6 Assess and implement the Council's insurance requirements; and

5.2.7 Assess the financial implications.

5.3 Policy and Finance Committees:

5.3.1 Support the Chief Officer in all aspects of risk management.

5.3.2 Understand the strategic and operational risks that the Council faces.

5.3.3 Ensure that a structured and systematic approach is in place for the identification, recording and reporting of risks and opportunities.

5.3.4 Ensure that risks are fully considered in all decision making and that the Risk Management Policy helps the Council to achieve its objectives and protection of assets.

5.3.5 Assist in embedding a culture of risk management throughout the Council and encourage appropriate training.

5.4 All Officials:

5.4.1 Understand their accountability for individual risk.

5.4.2 Understand how they can enable continuous improvement of risk management.

5.4.3 Understand that risk management and risk awareness are a key part of the organisations culture.

5.4.4 Report systematically and promptly to the Chief Officer any perceived new risk or failure of existing control measures.

5.4.5 Record areas of risk which fall directly within their day-to-day areas of control and review in line with agreed target dates; and

5.4.6 Provide a pro-active role in the reporting and assessing of physical risks in respect of public, officials and property.

5.5 Role of Internal Audit:

5.5.1 Provide a scrutiny role by carrying out audits to provide independent assurance to Councillors that risk management systems are in place.

6 RISK MANAGEMENT PROCESS

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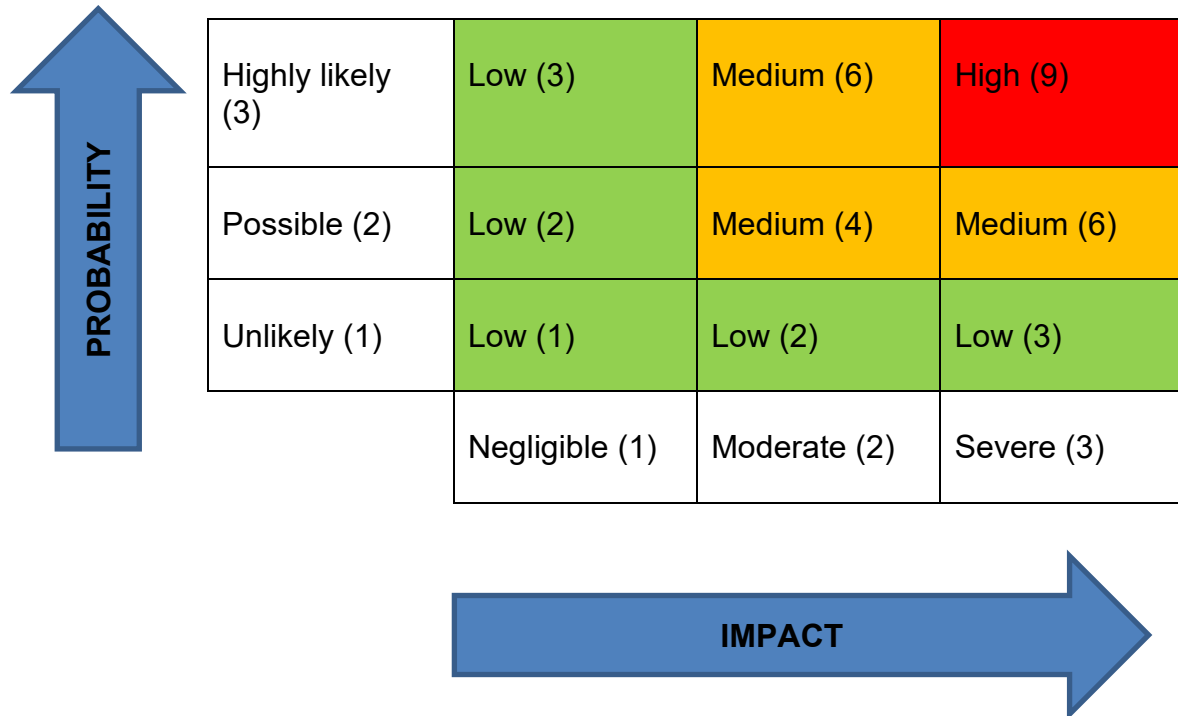
6.2 Identification of Risks

6.2.1 The Chief Officer is responsible for identifying and recording any risks. Identification shall be either via a formal process of planned inspections or ad hoc requests or risks being noted through everyday working situations.

6.2.2 When changes to working arrangements, new initiatives, events or projects are to be undertaken the Chief Officer shall seek to identify any risks early in the planning process and prior to implementation.

6.2.3 Each risk shall be described and set out on a risk assessment form.

6.2.4 All risks identified shall be recorded on the risk register.

RISK MANAGEMENT

6.3 Evaluation of Risks

    6.3.1 On identification of a risk the Chief Officer shall assign a risk factor by reference to the risk matrix.

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

PROBABILITY			
Highly likely (3)	Low (3)	Medium (6)	High (9)
Possible (2)	Low (2)	Medium (4)	Medium (6)
Unlikely (1)	Low (1)	Low (2)	Low (3)
	Negligible (1)	Moderate (2)	Severe (3)

IMPACT

    6.3.3 According to the level of risk identified appropriate action shall be taken.

    6.3.4 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
Red	High	Immediate notification to Chairman and Vice Chairman of the Council as well and the Chairmen of the Finance and Policy Committees. Identify remedial action for consideration and implementation.
Amber	Medium	Immediate notification to Chairman and Vice-Chairman of the Council.
Green	Low	Notify Chairman and Vice-Chairman of the Council.

    6.3.5 Where remedial action incurs non-budgeted costs of £500 or over these shall be reported to the Council at the earliest opportunity.

6.4 Mitigation of Risk

    6.4.1 The Chief Officer, in consultation with the Chairman and Vice-Chairman of the Council, shall 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 Council.

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

6.5 Decide on Any Further Action to be Taken.
6.5.1 Following evaluation there are four main control options to manage the risk:
6.5.1.1 Terminate the risk – take a decision to discontinue the activity.
6.5.1.2 Transfer the risk – the risk is 'passed' on e.g., to an insurer.
6.5.1.3 Treat the risk – put in place additional effective controls to reduce the impact or likelihood.
6.5.1.4 Tolerate the risk – accept the risk but continue to monitor and evaluate.

6.5.2 Where additional controls are required these shall be notified, immediately, to the Chairman and Vice-Chairman of the Council, details entered onto the risk assessment form and The Council notified at its next Full Council meeting.

6.6 Allocation of Responsibility
6.6.1 Each risk shall be passed to the Chief Officer who shall be responsible for implementing controls and ensuring they are working. The Chief Officer shall also be responsible for monitoring the risk.

6.7 Completing the Risk Register
6.7.1 All risk assessments shall be recorded in the risk register. To assist with the management of the risk register, items shall be grouped into separate files which may include:

Financial	Business	Business Continuity
H&S	HCID	Legal
Operational	Property	IT
Reputational	Councillors	Civic activities
Events		

6.8 Monitoring and Reporting
6.8.1 All meetings of the Policy Committee shall include an agenda item for risk management to ensure that any developments or issues are considered.

6.8.2 An annual review of the current risk register and risk management arrangements for the Council shall be conducted by the Policy Committee in April and reported to the Full Council.

6.8.3 The Council shall consider the recommendation from the Policy Committee at its May Full Council meeting. This consideration shall inform the Annual Governance Statement.

SIGNED	
COUNCILLOR WENDY PLANT, PARISH COUNCIL CHAIRMAN	