



TANKERSLEY
PARISH COUNCIL

RISK MANAGEMENT POLICY

A policy which sets out how
the Parish Council
will identify, quantify, manage,
assess and review risks

Adopted by Minute 14 on 13 December 2021

To be Reviewed November 2022

Tankersley Parish Council

Risk Management Policy

Tankersley Parish Council adopted the following policy with effect from 13 December 2021.

1. Introduction

- 1.1 Tankersley 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 This document sets out the:
 - 1.2.1 Parish 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 Parish Council by:
 - 1.3.1 Integrating risk management into the culture of the organization
 - 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. The Policy

- 2.1 Tankersley 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:

3.1.1 Identify, evaluate and manage the opportunities and risks to which the Parish 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 Parish 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 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 Parish Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process

4.2 The Parish Council will 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; and
- 4.2.6 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:
 - 5.2.1 Have collective responsibility in understanding the strategic risks which the Parish Council faces.
 - 5.2.2 Ensure that all identified risks have been considered in decision making and countermeasures and controls are defined
 - 5.2.3 Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Clerk
 - 5.2.4 Monitor the effectiveness of the Parish Council’s risk management arrangements by reviewing any risk management reports to the Parish Council at least three times a year.
 - 5.2.5 Ensure that a structured and systematic approach is in place for the identification, recording and reporting of risks and opportunities
 - 5.2.6 Assist in embedding a culture of risk management through the Parish Council and encourage appropriate training, including induction and refresher training for staff.
 - 5.2.7 Know how the Parish Council will manage and operate in a crisis through its approved Emergency Plan
- 5.3 The Clerk
 - 5.3.1 Is the lead officer for risk management and owner of the Risk Management Strategy.
 - 5.3.2 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
 - 5.3.3 leads on the corporate governance agenda which includes risk management and with the Parish Council’s Chair approve the Annual Governance and Accountability Return.
 - 5.3.4 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

- 5.3.5 Provides advice as to the legality of policy and service delivery and updates the Parish Council on the implications of new or revised legislation.
- 5.3.6 Assesses and implements the Parish Council's insurance requirements
- 5.3.7 Assesses the financial implications
- 5.4 All Employees:
 - 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 Parish Council's culture.
 - 5.4.4 Report systematically and promptly to the Parish Clerk 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.
 - 5.4.6 Provide a pro-active role in the reporting and assessing of physical risks in respect of public, staff and property.

5.5 Role of 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.

6. **The Risk Management Process**

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

6.1 Step 1: Identification of Risks

The 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

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.

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

All risks identified must be recorded on the risk register.

6.2 Step 2: Evaluation of Risks

On identifying 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

 Probability	Highly likely (3)	Medium (3)	High (6)	Very high (9)
	Possible (2)	Low (2)	Medium (4)	High (6)
	Unlikely (1)	Very low (1)	Low (2)	Medium (3)
		Negligible (1)	Moderate (2)	Severe (3)
		 Impact		

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

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 Parish Council.

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

Risk Factor		Action
Red	Very High/High	Immediate notification to Chair and Vice Chair Identify remedial action for consideration and implementation.
Amber	Medium	Immediate notification to Chair and Vice-Chair.
Green	Low	Notify Chair and Vice-Chair

Where remedial action incurs non-budgeted costs of £500 or over these should be reported to the full Parish Council at the earliest opportunity

6.3 Step 3: Mitigation of Risk

The 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.

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

6.4 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

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

6.5 Step 5: Allocation of Responsibility

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

6.6 Step 6: Completing the Risk Register

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

	Financial	F
	Property	P
	Legal	L
	Allotments	A
	Open Spaces	OS
	IT	IT
	Reputational	R
	Events	E
	Members and Civic Activities	MM

6.7 Step 7: Monitoring and Reporting

At least three times a year Parish Council Meetings will include an agenda item for risk management to ensure that any developments or issues are considered. Provisionally these will take place in February, June and November

An annual review of the current risk register and risk management arrangements for the Parish Council will be conducted by the Clerk 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 and Accountability Return. This is agreed annually by the Parish Council in June.