COMPTON PARISH COUNCIL

Risk Management Policy

1. Purpose

Risk management is a critical aspect of a parish council's responsibilities, ensuring that all potential risks are controlled appropriately. This process helps safeguard the council's operations, assets, reputation, and the well-being of the community it serves. The policy aims to ensure that all potential risks are identified, assessed, managed, and monitored effectively, allowing the Parish Council to fulfil its responsibilities to the community in a transparent, accountable, and efficient manner.

2. Scope

This policy applies to all activities undertaken by the Parish Council, including but not limited to governance, finance, human resources, service delivery, projects, community engagements and asset management. It is applicable to all Parish Council members, employees, volunteers, and any third parties acting on behalf of the Parish Council.

3. Policy Statement

Compton Parish Council is committed to maintaining a risk-aware culture. We will systematically identify and manage risks to ensure the safety of our community, protect our assets, and achieve our strategic objectives.

4. Definitions

Risk: The possibility of an event occurring that may have a negative impact on the Parish

Council's objectives.

Risk Management: The process of identifying, assessing, and controlling risks.

5. Roles and Responsibilities

Parish Council: Overall responsibility for risk management, ensuring effective implementation of this policy.

Chairman: Oversight of the risk management process, ensuring risks are regularly reviewed and addressed.

Clerk: Implementation of risk management processes, maintaining the risk register, and reporting risks to the council.

Councillors: Participate in risk assessment activities and contribute to the identification and mitigation of risks.

6. Risk Management Process

The Parish Council is committed to a proactive and systematic approach to risk management to protect its assets, services, and reputation while enhancing its ability to meet community expectations. The process of controlling risks is outlined below, with associated actions at each stage:

6.1. Risk Identification

The first step in effective risk management is identifying potential risks. These may include financial, operational, strategic and compliance risks – for example, budgeting errors, equipment failure or breaches of legal obligations.

6.2. Risk Assessment

Once risks are identified, they must be assessed in terms of their likelihood and potential impact. This assessment helps prioritise risks, allowing the council to focus on those that pose the greatest threat. The council can use a risk matrix to categorise risks as low, medium, or high. For instance, a high likelihood and high impact risk would require immediate attention and mitigation measures.

- Assess identified risks based on their likelihood and potential impact.

- Categorize risks into a matrix (e.g., low, medium, high) to prioritise actions.

6.3. Risk Control and Mitigation

Mitigation involves developing strategies to reduce the likelihood or impact of identified risks. These strategies may include:

o Avoidance: Deciding not to engage in activities that pose high risks.

o Reduction: Implementing measures to reduce the likelihood or impact of risks.

o Transfer: Sharing or transferring the risk to third parties (e.g. insurance).

o Acceptance: Acknowledging and monitoring low-level risks.

6.4. Monitoring and Review

It is crucial for the council to maintain a risk register. This document should include detailed information on identified risks, their assessment, mitigation measures, and assigned responsibilities.

- Continuously monitor risks and the effectiveness of mitigation strategies.

- Review the risk register at least annually or after significant changes in

circumstances.

- Update the risk register and action plans as needed.

6.5. Reporting

- The Clerk will report significant risks and the status of mitigation measures to the Parish Council during regular meetings.

- An annual risk management register will be presented to the council, summarising the risk management activities and outcomes for review and update where necessary.

7. A special note on Financial Risks and Controls

Specifically regarding financial risks, the council must establish robust financial controls and procedures in line with the latest JPAG Governance & Accountability Practitioners Guide and the Accounts & Audit Regulations 2015. These may include:

- Oversight of duties to prevent fraud and errors through internal probity procedures.

- Regular financial reporting and monitoring to the Council.

- Ensuring compliance with legal and regulatory requirements.

- Maintaining adequate reserves and contingency funds.

8. Communication and Training

- Ensure that all councillors and staff are aware of the risk management policy and their responsibilities.

- Provide training on risk management processes and techniques, as necessary.

9. Policy Review

This policy will be reviewed every 3 years or when significant changes occur in the council's operations or external environment. The review will ensure that the policy remains relevant and effective.

10. Approval and Adoption

This Risk Management Policy was adopted by Compton Parish Council on [Date].

Review Date: [Next Review Date]