



**Stoke by Clare**  
*Parish Council*

# **RISK MANAGEMENT POLICY**

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Stoke by Clare Parish Council

# Risk Management Policy

## Introduction

Stoke by Clare Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities, and the community against potential losses, to minimise uncertainty. 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. Risk Management is an integral part of the Council's management processes.

Please refer to Health and Safety at Work Act 1974 and Management of Health and Safety at Work Regulations 1999.

### **This document sets out the:**

- Council's risk management policy
- Objectives of risk management
- Types of risk
- Roles and responsibilities
- Objectives of Risk Management
- Risk assessment.

### **This policy aims to consider risk management and raise its profile across the 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.

### **The objectives of risk management are to:**

- Identify, evaluate, and manage the opportunities and risks to which the 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 effective decision making based on issues identified from past experience.
- To promote good corporate governance.
- It is the responsibility of all members and staff to have regard for risk management whilst performing their duties.
- This Strategy will enable risks and opportunities to be identified, evaluated, controlled, monitored, and reported.
- Seek assurances that action(s) are being taken on risk related issues identified by auditors and inspectors.

**The Council will identify the key risks to achieving its priorities and service objectives including but not limited to:**

1. Financial - loss of money.
2. Security - fraud, theft, embezzlement.
3. Property - damage to property.
4. Legal - breaking the law or being sued.
5. IT – failure of IT systems or misuse.
6. Loss of key staff.

**Roles and Responsibilities for Risk Management**

All Members and staff of the Council are responsible for risk management as shown below.

**All members: -**

- Have collective responsibility in understanding the strategic risks which the Council faces.
- Ensure that all identified risks have been considered in decision making and counter measures 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 Council's risk management arrangements by reviewing any risk management reports to Council.
- Support the Clerk in all aspects of risk management.
- Ensure that a structured and systematic approach is in place for the identification, recording and reporting of risks and opportunities.
- Ensure that the arrangements for risk management and the associated risk registers are regularly reviewed.
- Ensure that risks are fully considered in all decision making and that the Risk Management Strategy helps the Council to achieve its objectives and protection of assets.
- Assist in embedding a culture of risk management through the Council and encourage appropriate training, including induction and refresher training for staff.

**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.
- 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 Council to achieve its objectives and protection of assets.
- Provides advice as to the legality of policy and service delivery and updates the Council on the implications of new or revised legislation.
- Assesses and implements the Council's insurance requirements.
- Assesses the financial implications.

**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.

## **Risk assessment**

### **Step 1 Identification of Risks**

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.

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.

### **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.

	PROBABILITY LOW TO HIGH		
IMPACT LOW TO HIGH	High Impact Low Probability	Medium Impact High Probability	High Impact High Probability
	Medium Impact Low Probability	Medium Impact Medium Probability	High Impact Medium Probability
	Low Impact Low Probability	Low Impact Medium Probability	Low Impact High Probability

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

### **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 controls to reduce the impact or likelihood.

**Tolerate the risk** – accept the risk but continue to monitor and evaluate.

Where additional controls are required, as part of a ‘Treat the Risk’ option, before they are implemented the Council will be given the opportunity to review and consider the proposed action more carefully, giving more time to doing this than would have been possible when considering all the very many risks and actions in a review of the risk registers, and at a Full Council meeting approve, modify or cancel the proposed action.

If a response to a risk is being expedited then this review and consideration shall be done with the Chair, Vice-Chair with details entered onto the risk assessment form and the Council notified at its next meeting.

Once the proposed action has been reviewed and considered by the Council then the Clerk shall scope, determine the resources (time, effort, funds) required and propose an implementation plan for agreement by Council Resolution, or for a new Red risk with agreement of the Chair, Vice-Chair with the Council notified at its next meeting.

**Step 5: Allocation of Responsibility**

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.

**Step 6: Completing the Risk Register**

All completed risk assessments must be passed to the Chair of the Council for checking prior to entering onto the risk register. All risk assessments must be recorded in the risk register.

**Step 7: Monitoring and Reporting**

An annual review of the risk management arrangements for the Council will be conducted by 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, which is agreed annually by the Council in June.

### Areas where insurance helps to manage risk

Risk area	Risk identified	Risk (H/M/L)	Management of risk	Action required	Review / Assess / Revise
Property and contents owned by the council	Loss or damage to buildings or contents.  Damage to third party property or individuals.	H	An up-to-date register of assets and investments. Public liability insurance. Buildings and Contents insurance in place.	Review six-monthly by council. Annually by IA. Insurance held with Zurich Municipal, reviewed by council annually. Value of public liability insurance £10 million.	Existing procedures are adequate. Keep under review and revise as appropriate.
Consequential loss	Consequential loss of income or the need to provide essential services following critical damage, loss, or non-performance by a third party.	H	Annual review of risk and the adequacy of cover. Insurance in place.	Insurance held with Zurich Municipal, reviewed annually by council and by IA	Existing procedures are adequate. Keep under review and revise as appropriate.
Loss caused by employee dishonesty, theft, or fraud	Embezzlement. Fraud. Theft – assets. Theft – money. Forgery. Misuse of employment capacity for personal gain.	H	Annual review of risk and the adequacy of cover. Fidelity guarantee insurance .	Monthly reconciliation. Reporting of any inaccuracies noted at the time of identification.	Existing procedures are adequate. Keep under review and revise as appropriate.
Loss of cash	Theft and dishonesty	H	The Council has Financial Regulations which set out the requirements for the handling of cash. Petty Cash held securely not exceeding £50.	Monthly reconciliation. Reporting of any inaccuracies noted at the time of identification.	Existing procedures are adequate. Keep under review and revise as appropriate.

Legal liability as a consequence of employing staff	Bodily injury or illness sustained through work undertaken and covers. current or ex-employees and volunteers. Hiring the incorrect person.	H	Employer's liability. Through checks on employees prior to appointment. Compliance with Health and Safety legislation. Regular planned and unplanned checks to ensure staff are adhering to the Health and Safety requirements.	Level of employee liability cover £ 10 million	Existing procedures are adequate. Keep under review and revise as appropriate.
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#### Working with others to help manage risk.

Risk area	Risk identified	Risk (H/M/L)	Management of risk	Action required	Review / Assess / Revise
Security for vulnerable buildings, amenities, or equipment	Loss or Damage. Risk/damage to third parties/property. Risk/damage/injury to third parties.	M	Annual review of assets for insurance provision, storage, and maintenance purposes. Reporting procedures in place in case of damage. Regular internal and external inspections.	Annual inspection regime by the Staff. Weekly, monthly, quarterly, and annual internal inspections.	Existing procedures are adequate. Keep under review and revise as appropriate.
The provision of services being carried out under agency / partnership agreements with principal authorities	Failure to provide services agreed with West Suffolk Council	L	All partners risk assessed, and multiple quotes obtained and compared in council meeting minutes.	Reviewed by council annually. Annual IA	Existing procedures are adequate. Keep under review and revise as appropriate

Banking arrangements, including borrowing or lending	Fraud or corruption	L	The Council has Financial Regulations which set out the requirements for banking, and reconciliation of accounts. The Clerk / RFO reconciles the bank accounts monthly to ensure transactions are correctly reflected in the financial information presented to the council monthly. Loan requests considered and approved as the need for a loan arises.	Financial regulations Annual IA	Existing procedures are adequate. Continue to monitor in line with financial regulations.
Ad hoc provision of amenities / facilities for events to local community groups	Public liability	L	Ask all hirers for copies of insurance documents. Schedule of incidents is maintained. Insurance in place. Restricted number of key holders. Buildings are alarmed. Health and Safety Poster displayed in building entrance. Fire risk assessment in place	On-going monitoring	Existing procedures are adequate. Keep under review and revise as appropriate
Vehicle or equipment lease or hire	Unsuitable vehicles Poorly maintained vehicles Accidents Injury or death to third party or driver	L	Hire from reputable companies, monitor by council. Fully comprehensive insurance required	On-going monitoring	Existing procedures are adequate. Keep under review and revise as appropriate
Playing fields, Green) etc	External contractors used for maintenance not providing the required service and acting unsafely.	L	Employment law followed. Risk assessments. Liability insurance Schedule of works	On-going monitoring	Existing procedures are adequate. Keep under review and revise as appropriate

### Self-managed risk

Risk area	Risk identified	Risk (H/M/L)	Management of risk	Action required	Review / Assess / Revise
Financial records	Inadequate records Financial irregularities	L	The Council has adopted Financial Regulations which set out the requirements for reporting financial information to the council. This includes procedures that are designed to prevent fraud and irregularities. Accounts are handled by the finance controller. Parish Clerk is the RFO.	Review financial regulations at least yearly. Annual internal audit Annual external audit	Existing procedures adequate. Ongoing monitoring of financial regulations as appropriate.
Business activities	Activities conducted not within the legal powers of councils	L		Annual internal audit Review on receipt.	Existing procedures adequate
Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	L	Loss of Clerk or Loss of Council papers / electronic records. A business continuity plan holding key information is in place and is held by the Clerk, Chairman and Vice Chairman.	Appropriate back-up arrangements in place. Review plan at least annually.	Existing procedures adequate. Ongoing monitoring as appropriate.
Borrowing	Not complying with restrictions agreed as part of the borrowing agreement	L	Council to be made aware of borrowing regulations if considering future borrowing.	Annual internal audit review.	Existing procedures are adequate. Continue to monitor in line with financial regulations.
Employment law and Inland Revenue regulations	Failure to meet the legislative requirements	L	Approved partners employed to provide specialist advice e.g. (HR Providers), SLCC	Annual internal audit review.	As necessary. Based on need.

VAT	Failure to meet the VAT requirements under HMRC regulations	L	The Council has Financial Regulations which set out the required processes and Rialtas accounting software. programme which calculates & records VAT input and output.	Annual internal audit Advice taken as needed from (accounting software provider) External audit	Existing procedures are adequate. Continue to monitor in line with financial regulations.
Annual precept	Inadequate precept requested. Precept amount not received by West Suffolk council. Precept requirements not submitted to West Suffolk Council	L	The Council regularly receives budget update information through the year to check the adequacy of the precept which is fixed by full Council. At the Precept meeting the Council receives a budget update report, including actual and projected year-end indicative figures provided by the Clerk. Once the Council has formally agreed the level of precept required the clerk requests this amount from WSC. The Clerk informs Council when precept income is received.	Annual internal audit and budget published on web	Existing procedures are adequate. Continue to monitor in line with financial regulations.
Reporting and Auditing	Lack of provision of monitoring information, reporting, and auditing. Noncompliance with legislation.	M	A budget monitoring statement is produced monthly and reported for approval to the Council. The statement includes, bank reconciliation, budget update. Compliance breakdown of receipts and payments balanced against the bank statements. Council regularly audits internally to check procedures.	Councillors review budget and policies monthly.  Councillors appoint internal auditor.	Existing procedures are adequate. Continue to monitor in line with financial regulations.

Grants	Misuse of funds granted to local community bodies under specific powers, s 137 or GPC	L	All such expenditure is considered by Council for approval and minuted accordingly	All grants based on approved form and supporting information provided, minuted and checked during annual internal audit.	Existing procedures are adequate. Continue to monitor in line with financial regulations.
Minutes/Agendas/Notices Statutory Documents	Inaccurate and illegal records	L	Minutes and agendas are produced in the prescribed form by the Clerk and adhere to legal requirements. Minutes are approved and signed at the next Council meeting. Minutes and agenda are accessible to the public in compliance with the legal requirements.	Posted on website for public to see with full agenda packs as per transparency code and annual internal audit review	Existing procedures are adequate. Keep under review and revise as appropriate
Rights of inspection	Failure to provide the required information for the defined period of time	L	Financial information provided and available for inspection for the required duration.	Financial regulations 2022	Existing procedures are adequate. Continue to monitor in line with financial regulations.
Freedom of information and data protection	Unable to obtain and / or provide data within the time constraints set	M	Policies approved and published.	Model publication scheme. Privacy data notice Privacy policy Data protection policy	Monitor and report FOI requests to council. Review policies regularly.
Document control	Ineffective systems	L	Policies approved and published	Records Management Policy 2016	Review 2016 policy for adequacy.
Register of Members' interests and Gifts and Hospitality	Conflict of interest Register of members interests.	L	The declaration of interests by members at meetings is a standing item to remind Councillors of their duty. Register of Members Interest forms should be reviewed regularly by Councillors	Annual internal audit and review web links checked	Existing procedures are adequate. Keep under review and revise as appropriate

Failure of IT systems or misuse; and reputational	Loss through: Theft, fire, damage corruption of computer	L	The Parish Council's electronic records are password controlled and stored on the Council's laptop computer. Back-ups of the files are taken weekly or live to the cloud depending on the nature of the record.	Computer records are backed up daily / live via the cloud. Periodically perform challenge tests.	Existing procedures are adequate. Keep under review and revise as appropriate
Payroll	Breach of employment law including tax and NI	L	Ensure comply with HMRC regulations. Payroll run through West Suffolk Council software.	Annual internal audit carried out.	Existing procedures are adequate. Keep under review and revise as appropriate.
Staff	Loss of key personnel Fraud by staff. Actions undertaken by not complying with Health & Safety requirements	L	The Councillors will convene emergency meetings to agree interim arrangements if key personnel are absent without notice. The Clerk is provided with access to relevant training, reference books and legal advice required to undertake the role. Operational staff are provided with adequate direction and safety equipment needed to undertake their roles, i.e. protective clothing, and training. Risk assessments conducted. Annual appraisal interviews are carried out.	Retain membership of WSC for Locum cover and specialist advice and support.  Monitor working environment and feedback in appraisals.	Council maintains membership of SLCC Existing procedures are adequate. Keep under continual review.

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