



## **RISK MANAGEMENT POLICY**

### **1. Introduction**

- 1.1. Stoke sub Hamdon Parish Council is committed to identifying and managing its risks.
- 1.2. Risk management can be described as a systematic process of identifying, assessing, and mitigating threats or uncertainties that can affect delivery of the Council's obligations and objectives.
- 1.3. The Joint Panel on Accountability and Governance, Practitioners' Guide 2024 calls for smaller authorities to identify both financial and operational risks and to consider controls and mitigation.
- 1.4. This policy sets out roles, responsibilities, processes, and actions required to deliver effective and proportionate risk management.

### **2. Roles, Responsibilities and Requirements**

#### **2.1. Clerk/Responsible Financial Officer**

To act as the lead officers for the Council on risk management and be responsible for overseeing the implementation of the Council's adopted risk management policy. The role includes:

- (a) providing advice and guidance to the Council on risk management
- (b) assessing and implementing the Council's insurance requirements
- (c) placing on the agenda for review/adoption the Council's risk management policy at least every two years
- (d) developing and maintaining the Council's risk register
- (e) placing on the agenda for review and approval the Council's risk register and make available on the Council's website every six months,
- (f) undertaking periodic assessment of risks associated with the Clerk's office environment

## **2.2. Council**

- a) Identify the threats and uncertainties that can affect the delivery of the Council's obligations and objectives and ensure appropriate, proportionate, and effective mitigation actions are in place
- b) Ensure a risk management policy is adopted and implemented
- c) The risk register is maintained and kept current

## **2.3. Employees**

- a) As soon as possible, identify to the Council, any threats and uncertainties that may impact the safe and/or effective delivery of duties

## **2.4. Contractors**

- a) Ensure appropriate and effective risk management processes and appropriate insurance cover are in place, aligned with duties/tasks contracted by the Council
- b) Where requested by the Council copies of risk management policies, registers and insurance certificates must be provided

## **2.5. Volunteers**

- a) Only tasks authorised by the Council are performed with progress reported back to the Council via the Clerk
- b) Identify to the Council, any threats and uncertainties that may impact the safe and/or effective delivery of authorised tasks as soon as possible,

## **3. Risk Management Process**

3.1. Risks shall be identified and managed in accordance with the following five step process. It is recognised that risks can arise at any time and therefore a proactive approach to risk identification and management is mandated. All identified and current risks are recorded on the Council's risk register (example at ANNEX B) and reviewed at a full Council meeting as a minimum on a biannual basis.

### **Step 1 Identify the risk**

What could occur that may affect delivery of the Council's obligations and objectives. Describe the risk and the impact it may have.

### **Step 2 Categorise the risk**

Place each risk against one of the following categories

- Financial – loss of money etc.
- Security – fraud, theft, embezzlement
- Property – damage to property
- Legal – breaking the law without being sued
- IT – failure of IT systems or misuse or data loss
- Reputational – actions taken could harm the Council's public reputation
- Staff – availability of SQEP<sup>1</sup> employees and Councillors

### **Step 3 Appoint risk owner**

Identify the most appropriate individual to take on responsibility of the risk and associated management of it.

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<sup>1</sup> Suitably Qualified and Experienced Personnel

**Step 4 Analyse the risk (probability and impact)**

Assess the risk in accordance with the scoring matrix, detailed in ANNEX A

**Step 5 Assess response to the risk (control plan)**

Identify measures to mitigate, control or eliminate the risk

**ANNEX A**

Priority of risk management				
Likelihood of occurrence	Highly Likely (score 3)	Medium (3 x 1)	High (3 x 2)	Very High (3 x 3)
	Possible (score 2)	Low (2 x 1)	Medium (2 x 2)	High (2 x 3)
	Unlikely (score 1)	Very low (1 x 1)	Low (1 x 2)	Medium (1 x 3)
		Negligible (score 1)	Moderate (score 2)	Severe (score 3)
<b>Impact</b>				

**ANNEX B**

Risk Number	Description	Owner	Category	Likelihood of Occurrence (pre-control measures)	Impact	Score	Control Plan
23	Proper financial records are not maintained	RFO	Financial	Possible (2)	Moderate (2)	Medium	RFO Training, Internal Audit, Finance working Party to review records on a monthly basis, bank reconciliation monthly