GRENDON UNDERWOOD PARISH COUNCIL
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RISK MANAGEMENT POLICY

CP18.04

Authorised & Adopted: GRENDON UNDERWOOD PARISH COUNCIL

Authorisation & last review as shown in the Policy Review Record CD08A

CHANGE LOG	
v.1 May 2020	Developed to provide consistency in mandatory duty to manage all forms of risk and adopted by resolution of full Council at a properly constituted general meeting held 26th May 2020.
v.2 May 2021	Annual Review
v.3 May 2025	To reference two policies one each for assessment & management used in parallel.
v.4 May 2026	To consolidate Assessment & Management into single Policy to ensure action consolidates each in conjunction.

I PURPOSE

- Definition of Risk - Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and successfully execute its lawful duties. Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance and should inform all aspects of community focus, structures and processes, standards of conduct and service delivery arrangements.

Grendon Underwood Parish Council is committed to assessing and managing risk such as to minimise Council exposure to any risk factors likely to hamper its ability to operate lawfully and to mitigate any consequences, foreseen or unforeseen, arising from any such occurrence.

Risk management is not just about financial management, it can also have impact on reputation, credibility, professionalism, accountability and transparency. It is about setting objectives and achieving them in order to consistently deliver high quality public services.

This policy sets out how Council identifies, evaluates, and manages risks that may affect its ability to deliver services, safeguard public funds, and maintain the wellbeing of the community. The Council is committed to ensuring that risks are managed proactively, consistently, and transparently. For ease of reference, the Policy details the risk management process in two parts:

- Part A - Assessment of risk – to identify areas of potential risk and evaluate the likelihood, severity & consequence of an occurrence.
- Part B - Management & mitigation of risk – to evaluate and initiate mitigation activity and record effectiveness and the need to provide additional training.

In order to identify risks facing Council across all areas, the Policy adopts Guidance recommending grouping the main types of decisions that have to be taken into the following areas:

(i) Areas where there may be scope to use insurance to help manage risk
(ii) Areas where there may be scope to work with others to help manage risk
(ii) Areas where there may be need for self-managed risk.

However, Members are ultimately responsible for risk management because risk threatens the legal achievement of policy objectives and non-compliance with this policy does not negate this responsibility. Therefore, it is incumbent on Council to strengthen its own corporate governance arrangements, improving their stewardship of public funds and to provide assurance to taxpayers.
This Policy provides the framework for Council to consistently & effectively assess and mitigate the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The process sequence is:

- Identify the areas of potential risk
- Decide upon appropriate measures to avoid, reduce or control any risk so identified.
- Review & assess effectiveness and revise as necessary.
- Training Requirements.
- Recording outcomes and learning points.

NOTES:

- Where the word "Member" or "Councillor" is used, unless the context suggests otherwise, the meaning is intended to include co-opted members, with or without voting rights.
- A 'co-opted member' is a person who is not an elected member of the Council but who has been co-opted onto the Council, or a committee or sub-committee properly constituted by Council, by a majority of elected

Councillors at a full meeting of Council and who is entitled to vote on any question that falls to be decided at any meeting of Council or that committee or sub-committee.

- A 'meeting' is a properly constituted meeting of the Council, any of its committees, sub-committees, joint committees or joint sub-committees.
- Where gender specific wording is used, meaning is intended to be gender neutral.

II SCOPE

All Councillors & employees are responsible for minimising risk
This Policy describes how Grendon Underwood Parish Council will assess, manage and monitor risk to ensure risk considerations are a consistent and integral step across all activities and decision making.
The Council will review risk on a regular basis and will carry out a risk assessment for any new proposal or undertaking or acquisition in line with the specified requirements of this Policy and to record outcomes such as to ensure Council is indemnified against them.

III POLICY

PART A - ASSESSMENT

This Policy has been produced to enable Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting an assessment, the following areas of potential risk are to be considered.

1. Democratic Process & Public Engagement
2. Decision Making
3. Asset Management
4. Employment
5. Contracts
6. Personnel.
7. Financial Management.

1. Democratic Process & Public Engagement

Hazard/Risk	Likelihood	Impact	Treatment/Control
1.1 Four-yearly election	Low	High	a. Support County in promotion b. Allow for cost of election in budget
1.2 By-election	Low	Medium	a. Allow for cost of by-election in budget
1.3 Breach of Freedom of Information & Data Protection Requirement	Low	Medium	a. Council adopts a Data Protection Policy. b. Clerk understands requirement c. Clerk & councillors attend training d. Council has necessary advice via B&MKALC
1.4 Liability to public.	Medium	High	a. Adequate public liability insurance.
1.5 Failure to consult/inform community	Low	High	a. Maintain a free to access, accessibility conforming web site and publish minutes and accounts to it.
1.6 Annual Parish Meeting	Low	Medium	a. Clerk understands requirement b. Chairman to convene the meeting (if attending)
1.7 Website	Low	Medium	a. Council adopts IT /electronic communication policy b. Council defines roles & responsibilities for developing & maintaining website.

2. Decision Making

Hazard/Risk	Likelihood	Impact	Treatment/Control
2.1 Failure to post statutory notices	Low	High	a. Ensure task is in clerk's job description
2.2 Unlawful decisions	Medium	High	a. Training for clerk & councillors b. Maintain membership of B&MKALC for reference material and legal advice. c. Council adopts Standing Orders d. Quote statutory power with each item of expenditure
2.3 Decisions unclear	Low	High	a. Clerk to liaise with Chairman in the preparation & publishing of minutes & resolutions.
2.4 Lack of focus or priorities	Medium	High	a. All decisions made by resolution of full council.

			b. Regular review of proposal progress c. Develop & review council policies.
2.5 Slow to react to outside influences.	Medium	High	a. Establish a mandatory Emergency Protocol.
2.6 Poor internal communications	Medium	High	a. Formulate procedures of internal communications

3. Asset Management

Hazard/Risk	Likelihood	Impact	Treatment/Control
3.1 Physical assets unknown	Low	High	a. Develop & keep under review asset register b. Train clerk/RFO in audit requirements
3.2 Health & safety	Medium	High	a. Planned maintenance programme b. Replacement fund c. Monthly visual inspection regime d. Annual, independent, professional, or other inspection as required by insurer
3.3 Liability to public	Medium	High	a. Public liability insurance
3.4 Accidental damage	Medium	High	a. Insurance b. Regular visual inspection regime
3.5 Loss of investment income	Low	High	a. Council regular reviews investments performance
3.6 Security of assets	Medium	High	a. Monthly visual inspection of assets

4. Employment

Hazard/Risk	Likelihood	Impact	Treatment/Control
4.1 Fail to meet employment law	Low	High	a. Training for councillors & clerk b. Apply national benchmarking for career salary scale c. Up-to-date contracts of employments in place
4.2 Claim for constructive dismissal	Low	High	a. Training for councillors & clerk b. Maintain detailed records. c. Up-to-date contracts of employments in place
4.3 Staff sickness	Low	High	a. Up-to-date contracts of employment in place b. Contingency for 2 months additional pay c. Contingency arrangements in place to cover duties
4.4 Clerk leaves	Low	High	a. Contingency for 2 months additional pay b. Contingency arrangements in place to cover duties by a Councillor or County.
4.5 Health & safety	Low	High	a. Maintain a H&S Policy and ensure staff comply.

5. Contracts for services & supplies

Hazard/Risk	Likelihood	Impact	Treatment/Control
5.1 Inadequate records	Medium	High	a. Clerk attends training b. Regular reviews of processes & procedures.
5.2 Contractor defaults and/or low quality of work	Medium	High	a. Define all necessary processes & procedures b. Ensure complete audit trail from decision & signed contract to payment c. Ensure contracts are "water tight" & actions taken in event of default.
5.3 Public injury	Low	High	a. Ensure contract is subject to risk assessment & public liability insurance b. Inspect contractor's risk assessment c. Inspect contractor's insurance.
5.4 Unauthorised direction to contractor	Low	High	a. Training for councillors & clerk b. Correction powers of delegation from the clerk formally defined.
5.5 Use of reliable, insured, professional suppliers	Medium	High	a. Take references from other customers of a supplier

6. Council Employee Home Working.

Hazard/Risk	Likelihood	Impact	Treatment/Control
6.1 Risk of non-availability of or faulty IT equipment	Low	High	All the IT equipment i.e. disk drive, scanner, printer and keyboard that is used in the Parish Clerk's home are all PAT tested on an annual basis.
6.2. Health & Safety of employees in the work place.	Low	High	As the Council employ only 1 persons Health and Safety requirements are minimal outside the consideration of time spent by the Parish Clerk on working with a VDU.
6.3. Loss of Parish Council Records.	Med	High	Computer backup procedures (continuous back up to cloud with multiple access)

7. Financial Management

Hazard/Risk	Likelihood	Impact	Treatment/Control
7.1 Fraud or misappropriation	Low	Medium	a. Council & clerk fully understand their roles b. Appoint competent RFO, with relevant skills c. Annual bank reconciliation
7.2 Budget overspend	Low	Medium	a. Council & clerk fully understand their roles b. Appoint competent RFO, with relevant skills
7.3 Loss of income/ VAT reclaim or unexpected expenditure risking statutory duties	Low	Medium	a. Council & clerk fully understand their roles b. Appoint competent RFO, with relevant skills c. Follow Risk Management Policy
7.4 Inadequate financial controls and records of accounts	Medium	High	a. Council & clerk fully understand their roles b. Appoint competent RFO, with relevant skills c. Follow Financial Regulations
7.5 Additional external audit work	Low	High	a. Council & clerk fully understand their roles b. Appoint competent RFO, with relevant skills c. Set aside a contingency sum
7.6 RFO/clerk unavailable for period [continuity]	Low	High	a. Contingency arrangements in place
7.7 Inadequate internal audit	Medium	High	a. Appointment of an independent & competent professional person as internal auditor and review annually b. Internal auditor’s report considered by council
7.8 Lack of financial control	Medium	High	a. Council adopts & follows Financial Regulations b. Monitor/ authorise spend monthly. c. Bank reconciliation annually.
7.9 Inadequate precept, reserves &/or balances	High	High	a. Monitor budget against actual at year end. b. Council adopts formal well-defined budget process
7.10 Poor contractual arrangements – bank; insurance provider, professional support, suppliers	Medium	High	a. Adopt & follow Financial Regulations & Procurement Policy b. RFO annual review & report of financial situation
7.11 Poor value for money	Medium	High	a. Adopt & follow Procurement Policy. b. Follow supplier approval policy and Procurement Policy c. Annual RFO annual report to avoid repetition.

PART B – RISK MANAGEMENT

Council will identify risks to Council business across all areas and consider those areas of risk identified during Assessment by grouping the main types of decisions that have to be taken into the following areas:

(i) Areas where there may be scope to use insurance to help manage risk
(ii) Areas where there may be scope to work with others to help manage risk
(ii) Areas where there may be need for self-managed risk.

(a) AREAS WHERE USE of INSURANCE MAY MANAGE RISK

1.1 Council will hold, review annually and ensure adequate sums assured for full indemnity public & employer liability insurance against the following risks;

a. Personal accident of Councillors and employees on council business.
b. Protection of physical assets e.g. furniture, equipment.
c. Slander & libel.
d. Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public.
e. Risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)
f. Loss of data, assets through theft or dishonesty (fidelity guarantee)
g. Legal liability as a consequence of asset ownership (public liability)
h. Legal liability and costs as a consequence of employer liabilities

1.2 Council will review annually the adequacy of sums assured for all cover;

1.3 Council will take all reasonable steps to use financially robust insurance providers;

(b) – AREAS WHERE USE of THIRD-PARTY PROFESSIONALS MAY MANAGE RISK

2.1 - Council will only use professionally qualified, independent **and** insured **and** risk assessed providers of professional services and contractors in the following areas;

a. Banking Services;
b. Mandatory Employment law compliance – HMRC, Pensions, National Insurance;
c. Mandatory VAT law compliance;
d. Internal & External Auditing.

(c) – AREAS WHERE THERE IS A NEED TO SELF-MANAGE RISK

3.1. Governance & Legal Risks

Local Authority responsibilities

- Council will review annually all internal controls in place and their documentation.
- Council will generate and review annually a library of Documented Procedures, Policies, Protocols & Regulations as may be current from time to time and as listed in the Policy Register, published to the web site.
- Minutes are properly numbered and filed.
- Asset register is available and current.
- Back-ups of computer records are taken regularly – availability to be mandatory by contract.

Employers' responsibilities

Council will review annually all employment and service provider contracts;
Council will review annually all Relevant Employment Policies in place e.g.
Health & Safety; Grievance Procedure; Member/employee relationship (CP13 Personnel Policy)
Clerks' salary reviewed and documented
Contract of employment & Job Description in place and reviewed.
Provision of council approved IT equipment with suitable training as necessary.

3.2 Financial Management Risk

council will review annually all Standing Orders and Financial Regulations for adequacy and fitness of purpose to include the detecting and deterrence of fraud and/or corruption.
council will review all payments at each general meeting and annually at the annual parish meeting and reconcile these against monthly and annual bank statements.

Council will keep proper financial records in accordance with statutory requirements to ensure;

- the provision of all accountancy data in a manner suitable for audit;
- the preparation of a credible budget;
- the setting of a lawful precept request within sound budgetary parameters;
- compliance with any restrictions on borrowing,
- compliance with any relevant employment, HMRC and Inland revenue legislation,
- the proper use of funds granted to local community bodies under specific powers or Section 137,

3.3 Operational Risk

Council will respond to electors wishing to exercise their rights in regard to inspection of finances (Financial Regulations CP09), Freedom of Information (CP07), Subject Access Requests (CP07) and other data protection requirements (CP07) in a timely and legally compliant manner;

Council will respond to Planning Authority invitations to consult on planning applications in a timely manner such as to comply with their timetables;

Council will maintain proper, complete, accurate and up to date system of document control such as to ensure it is fit for purpose. Paperwork will be retained in accordance with national guidelines and made available for viewing during office hours – files to include;

- Minutes Book;
- Planning responses;
- Internal & external audit records;
- Supplier Records – quotes/estimates, resolution minute, invoices (see CP15 – Procurement Policy)
- All incoming and outgoing electronic & paper correspondence will be logged and recorded in the agenda for the next meeting following receipt;

3.4 Health & Safety Risk

Council will instigate and maintain a regular health & safety maintenance schedule for physical assets

3.5 Reputational Risk

Council will generate proper, timely and accurate reporting of Council business by way of minutes of all meetings, according to its Standing Orders, and hold them indefinitely in hard, wet signature, copy for review, at any time, so it is always in a position to demonstrate all decisions are properly made against its statutory legal powers and are recorded and correctly applied as such;

Councillors will be required to declare any interests in matters that Council may consider and Council will maintain a Register of Members' Interests and gifts and hospitality and require Councillors to retire from decisions involving their interests;

3.6 Asset & Property Risk

Council will maintain an up-to-date Register of Assets and investments and review adequacy of insurance cover annually.

3.7 Data Protection & Cybersecurity

The Council will:

- Comply with GDPR and data protection legislation.
- Maintain a .GOV.UK domain name and use associated emails for all council business.
- Maintain an IT Policy (CP12)
- Maintain secure storage of digital and physical records
- Use appropriate cybersecurity measures
- Provide training where necessary

IV – CONTROL MEASURES

The council will initiate control measures as appropriate to minimise risk to include:

- Policies and procedures
- Staff training
- Insurance
- Physical safeguards
- Financial controls
- Regular maintenance and inspections both internally and by third party professionals.
- Business Continuity / Contingency
  The Council will maintain plans to ensure essential services can continue in the event of:
  1. Loss of premises
  2. Loss of key staff

iii. IT or data failure
iv. Major incident affecting the community

V – RECORDING

All significant risks will be recorded in the **Risk Register**, which includes:

- Description of the risk
- Likelihood and impact rating
- Existing controls
- Additional actions required
- Responsible person
- Review date

VI – MONITORING & REVIEW

1 A Risk Management Policy & Risk Register will be maintained and reviewed **at least annually**, or more frequently if circumstances change.

2 ROLES & RESPONSIBILITIES

Clerk / Responsible Financial Officer (RFO)

- will maintain the Register and report updates to the Council.
- will maintain records of identified risk and the effectiveness of any mitigations actioned.
- Will monitor compliance with this Policy.
- Will monitor compliance with financial and governance controls
- Reports emerging risks to the Council
- The RFO will include a fiscal assessment for each area of risk and report to the Council.

Council

- Will review risk on a regular basis and will carry out a general risk assessment annually, according to this Policy, and specifically for any new resolution, undertaking or acquisition.
- Will identify any unacceptable levels of risk, that may arise from time to time, and implement any action that would mitigate such risk promptly and within approved policies & controls.
- Will review specific mitigation activity for its effectiveness within 30 days of the action being authorised and any revisions to policy, training or remedial action recommended to the next full meeting of Council.
- Will review the effectiveness of controls and approve any required changes.
- Has overall responsibility for risk management and implementing this Policy
- Wil approve the Risk Management Policy and Risk Register and review it annually.
- Will ensures adequate resources are available