

Great Longstone Parish Council Risk Management Strategy and Risk Register

1. Introduction

1.1 This document forms Great Longstone Parish Council's Risk Management Strategy and Register.

The main document sets out:

- Definition of risk management
- The purpose of a risk management strategy
- The Council's philosophy on risk management
- The risk management process
- Roles and responsibilities
- Monitoring of risks.

Appendix A is the Risk Register.

2. Defining Risk Management

2.1 *'Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.'* Audit Commission, *Worth the Risk: Improving Risk Management in Local Government*, (2001: 5)

2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety, but applies to all aspects of the Council's work.

2.3 Risks can be classified into various types, but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

- **Strategic Risk** – Long-term adverse impacts from poor decision-making or poor implementation. These are risks of damage to the reputation of the Council, loss of public confidence; in a worst-case scenario Government intervention.
- **Compliance Risk** – Failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. These risk exposure to prosecution, judicial review, employment tribunals and the inability to enforce contracts.
- **Financial Risk** – Fraud and corruption, waste, excess demand for services, bad debts, risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased precept levels/impact on Council reserves.

- **Operational Risk** – Failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.

2.4 These risks can be broken down further into specific areas which could impact on the achievement of the Council's strategic objectives and day-to-day delivery of services:

- **Political** – Those associated with the failure to deliver local, regional or national policy.
- **Financial** – Those affecting the ability of the Council to meet its financial commitments; failure of major projects, internal and external audit requirements, failure to prioritise and allocate resources effectively, poor contract management, initiative overload.
- **Social** – Those relating to the effects of changes in demographic, residential, or socio-economic trends on the Council's ability to deliver its strategic priorities.
- **Technological** – Those associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. This includes the consequences of internal failures on the Council's ability to deliver its objectives.
- **Legal** – The ability of the Council to meet legislative demands affecting breaches of legislation.
- **Environmental** – Those relating to the environmental consequences of progressing the Parish Council's objectives in terms of energy-efficiency, pollution, recycling, emissions, etc.
- **Partnership/Contractual** – Those associated with the failure of partners/contractors to deliver services to an agreed cost and specification and similarly failure of the Council to deliver services to an agreed cost and specification; compliance with procurement policies (internal/external); ensuring open and fair competition.
- **Human Resources** – Those associated with the professional competence of staff; training and development; over-reliance on key personnel; ineffective project management; recruitment and selection issues.
- **Organisational** – Those associated with the review of services and delivering continuous improvement.
- **Health & Safety/Physical** – Those related to fire, safety, accident prevention and health & safety which pose a risk to both staff and the public; safeguarding and accounting of physical assets.
- **Reputational** – Those associated with the changing needs of customers and the electorate; ensuring appropriate consultation; avoiding poor public and media relations.

Not all of these risks are insurable and in some instances the premiums may not be cost effective. Even where insurance is available, a monetary consideration might not be an adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.

2.5 Risk is not restricted to potential threats but can be connected with missed opportunities. Good risk management can facilitate proactive, rather than merely defensive responses. Measures to manage adverse risks are likely to help with managing positive ones.

3. The purpose of the Risk Management Strategy

- Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.
- The Risk Management Strategy will help to ensure that all Committees and service areas have an understanding of risk and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer or acceptance.
- Strategic risk management is an important element in demonstrating continuous service improvement.
- There is a requirement under the Accounts and Audit Regulations 2015 to establish and maintain a systematic strategy, framework and process for managing risk.

4. Risk Management Policy Statement

Great Longstone 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 aims and objectives and to maximise the opportunities to achieve its vision.

The Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

Risk management is an integral part of the Council's management processes.

5. Implementing the Strategy

5.1 Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action may be required to reduce the risk to an acceptable level.

Options for control include:

- **Elimination** – The circumstances from which the risk arises are removed so that the risk no longer exists;
- **Reduction** – Loss control measures are implemented to reduce the impact/likelihood of the risk occurring;
- **Transfer** – The financial impact is passed to others e.g. by revising contractual terms;
- **Sharing** – The risk is shared with another party;
- **Insuring** – Insure against some or all of the risk to mitigate financial impact; and
- **Acceptance** – Documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.

5.2 Risk Register

The Strategic Risk Register (*Appendix A*) will be regularly refined and updated as part of this Risk Management Strategy. The Council also records Health and Safety Risk Assessments for the playground.

5.3 Risk Monitoring

The effectiveness of risk control procedures in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time. The Risk Management Plan will be reviewed at least annually by the Council.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

5.4 Risk Management System

- **Risk Identification** – Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed.
- **Risk Analysis** – Once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.
- **Risk Prioritisation** - An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored Low (1), Medium (2) and High (3).

		Impact		
		Low (1)	Medium (2)	High (3)
Likelihood	Low (1)	1	2	3
	Medium (2)	2	4	6
	High (3)	3	6	9

The scores for impact and likelihood are multiplied (eg a medium likelihood and a high impact = 6). Risks scoring 6 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

6. Roles and Responsibilities

6.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place. The process must be driven from the top but must also involve staff throughout the organisation.

6.2 **Councillors** – Risk management is seen as a key part of Councillors’ stewardship role and there is an expectation that Councillors will lead and monitor the approach adopted, including:

- i) Approval of the Risk Management Strategy.
- ii) Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed.
- iii) Consideration, and if appropriate, endorsement of the Annual Governance Statement; and
- iv) Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.

6.3 **Clerk** – will:

- a. **As an employee:** undertake their job within risk management guidelines ensuring that their skills, experience and knowledge are used effectively. They will maintain an awareness of the impact and costs of risks and how to feed information into the formal process. They will work to control risks or threats within their roles, monitor progress and feed information on task related risks into the formal review process.
- b. **As Clerk and Responsible Financial Officer:** act as the lead officer on risk management and be responsible for overseeing the implementation of the Risk Management Strategy.

They will:

- i) Provide advice as to the legality of policy and service delivery options.

- ii) Provide advice on the implications for the Council's strategic aims and objectives.
- iii) Update the Council on the implications of new or revised legislation.
- iv) Assist in handling any litigation claims.
- v) In consultation with the Council's external advisors as necessary, provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury.
- vi) In consultation with the Council's external advisors as necessary, advise on any health and safety implications.
- vii) Assess and implement the Council's insurance requirements.
- viii) Assess the financial implications of strategic policy options.
- ix) Provide advice on budgetary planning and control.
- x) Ensure that the financial information systems and processes allow effective budgetary control in line with the Parish Council's Financial Regulations.
- xi) Ensure the Parish Council's Risk Register is maintained.

6.5 Role of Internal Audit – Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

Internal Audit reports, and any recommendations contained within, will help to shape the Annual Governance Statement.

6.6 Training – The aim will be to ensure that both Staff and Councillors have the skills necessary to identify, evaluate and control the risks associated with the services they provide. Risk Management training and development will be provided.

6.7 In addition to the roles and responsibilities set out above, the Council is keen to promote an environment within which individuals and groups are encouraged to report adverse incidents promptly and openly.

7. Future Monitoring

7.1 Review of Risk Management Strategy – This Strategy will be reviewed annually by the Council.

Document Approved: Minute Reference 19.2.3/26 on 14th January 2026

New Review Due: January 2027

Appendix A – RISK REGISTER

Risks Identified	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score Before Control	Management/Control of Risk	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score After Control
GOVERNANCE							
Business continuity: Inability to continue its business due to unexpected circumstances	2	2	4	Council has a Business Continuity Plan	1	1	1
Statutory obligations <ul style="list-style-type: none"> Failure to meet statutory obligations Unable to deliver services Operating without accountability Is not able to hold meetings that are quorate. 	2	3	6	<ul style="list-style-type: none"> All Cllrs complete DALC training and are aware of the Council's statutory obligations. Standing Orders, which contain the Council's legal and statutory requirements, are kept up to date and Councillors and Staff are made fully aware of the contents. The Council remains quorate and works proactively to recruit to vacancies All decisions are resolved at full council meetings by vote. Agendas, minutes and financial documents available in public domain. 	1	2	2
Members interests <ul style="list-style-type: none"> Conflict of interests Breach of required standards in public life 	2	2	4	<ul style="list-style-type: none"> All Cllrs to return register of members' interests' forms when elected or co-opted. Members' interests' forms reviewed annually in May. Members required to declare any conflict of interests in agenda items at the start of each full council or committee meeting. All Cllrs to be aware of Nolan Principles All Cllrs sign to confirm that they will conform to the Council's Code of Conduct. 	1	2	2
Agendas and minutes Legal requirements including notice period for publishing a summons to a meeting (agenda), accuracy and	2	2	4	Agendas and minutes are produced in the prescribed manner by the Clerk and adhere to the legal requirements e.g. <ul style="list-style-type: none"> agendas are published with three clear days' notice. 	1	2	2

availability of minutes and associated documents.				<ul style="list-style-type: none"> Minutes are checked approved and signed at the next full council meeting Minutes and associated documents are published in a timely manner on the Council's website. Master/signed copies of all minutes are sent for permanent preservation by the County Archivist. 			
AGAR (annual governance and accountability return) <ul style="list-style-type: none"> Inaccurately completed Not submitted within time limits 	3	2	6	<ul style="list-style-type: none"> Council to ensure that Clerk has had appropriate training and support Annual return is completed by Clerk/RFO, reported to full council and signed by the Chair. Annual return submitted to internal auditor for checking and completion and then to external auditor within the specified time limits. 	1	2	2
Conduct <ul style="list-style-type: none"> Inappropriate conduct at meetings 	2	2	4	<ul style="list-style-type: none"> Cllrs understand and agree to abide by the Code of Conduct and Nolan Principles Business conducted at Council meetings is managed by the Chair in accordance with the Standing Orders. 	1	1	1

Risks Identified	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score Before Control	Management/Control of Risk	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score After Control
FINANCE							
Insufficient Funds - Running out of money as a result of: <ul style="list-style-type: none"> Poor planning and budgeting Not holding planning for or holding appropriate reserves Not collecting rents Not submitting claims for re-imbursements Not submitting claims for VAT Refunds 	3	3	9	<ul style="list-style-type: none"> Council plans clearly laid out and budgeted following a fixed annual timetable and monitored regularly by the full council Reserves to be considered as part of annual budgeting process and reserves policy to be followed Finance Calander to be used to show when: <ul style="list-style-type: none"> rent collections need to be done (i.e. allotments, school, quarry) Reimbursement claims to be submitted VAT claims to be submitted Timetable to be reported on at all council meetings 	1	2	2

Loss of Council funds through: <ul style="list-style-type: none"> theft by officers or councillors Incorrect payments to suppliers 	2	3	6	System controls in Finance Regulations to be fully adhered to, particularly: <ul style="list-style-type: none"> Separation of duties between managing financial records and adding payments and Checking records, bank reconciliations and details of new suppliers and approving payments. All payments to be managed through bank accounts with no petty cash. If cash is received it is to be checked by clerk and a councillor and banked complete as soon as possible 	1	2	2
Poor record keeping <ul style="list-style-type: none"> Insufficient records for Councillors to be able to adequately monitor income and expenditure or to fulfil statutory duties 	3	3	9	<ul style="list-style-type: none"> Clerk to use an appropriate online finance system, records to be kept up to date with monthly reconciliations and all payments to be referenced to the meeting minute that gave approval. Bank reconciliations document to be cross checked with bank statements and cashbook at least once a quarter, by a councillor. 	1	2	2
Salary related mistakes <ul style="list-style-type: none"> Gross salaries too high or too low Mistakes with deductions HMRC payment mistakes 	2	3	6	<ul style="list-style-type: none"> Clerk's salary to be reviewed annually to ensure that payments are appropriate for skill level and time worked An HMRC approved payroll system to be used and at least one councillor should be checking regularly that gross salary, deductions and net pay are all correct A Councillor to verify that correct payments are being made to HMRC that match payroll system. 	1	2	2

Risks Identified	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score Before Control	Management/Control of Risk	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score After Control
INFORMATION AND DATA MANAGEMENT							

Loss or inappropriate use of personal data or other records	2	3	6	<p>Publication Scheme and Data Protection Policy are regularly reviewed, and systems are in place to ensure that they are followed.</p> <p>These will include:</p> <ul style="list-style-type: none"> Information Management Policy is adhered to including computer equipment for use by the clerk with appropriate security measures that are installed and used. Secure storage and back-up of all data records Staff and Councillors to use Council email. Paper records to be stored in an appropriate locked filing cabinet Records retention policy followed to ensure that older information is either deleted after an appropriate timeframe or sent for permanent archival storage. 	2	2	4
Lack of transparency in the workings of the Council	3	2	6	Parish Council website to be kept updated with minutes of meetings & associated documents, policies and anything else that is not confidential.	1	2	2
Compliance with General Data Protection Act (GDPR)	2	3	6	<ul style="list-style-type: none"> Parish Council registered with Data Commissioner Periodic checks that registration and data types held I still correct Staff and Councillors to be aware of requirement of GDPR and for this to be considered in all projects or other initiatives. 	1	1	1
Former staff or councillors retain unauthorised access to systems	3	2	6	Off-boarding process for departing staff and councillors to be followed and documented	1	1	1
Information lost between clerks	3	3	9	<ul style="list-style-type: none"> Council to use a permanent postal address (c/o Village Hall) and not the home addresses of the clerk. Clerk to use Council "clerk@" email address for all official business. Clerk to use a council supplied laptop and mobile phone for all council business 	1	2	2

				<ul style="list-style-type: none"> Chair to keep a written copy of usernames and passwords for Council systems in-case of sudden incapacity of clerk due to illness or death. Any paper records that are not needed on a regular basis are to be deposited with the County Records Office. 			
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HEALTH AND SAFETY							
Slips, trips, falls and other accidents, injury or death of Cllrs, employees, volunteers or public	2	2	4	<ul style="list-style-type: none"> Risk assessments to be carried out for Council run events, such as the Christmas Carols Regular inspection of Council assets <ul style="list-style-type: none"> Play area – weekly Recreation Ground, other areas - monthly Other Council assets annually 	1	2	2
Errors made by contractors	2	2	4	Check that contractors have appropriate health & safety procedures and 3 rd party liability cover	2	1	2
Clerk at risk due to inadequate home working conditions.	1	3	3	Council to work with Clerk to ensure that they have appropriate chair, desk and other equipment to be able to work safely and efficiently from home.	1	1	1

Risks Identified	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score Before Control	Management/Control of Risk	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score After Control
ASSETS							
Loss due to fire, theft or vandalism	1	3	3	<ul style="list-style-type: none"> Appropriate policies and procedures are in place and followed Adequate insurance cover Asset register is kept up to date and verified at least once per year 	1	2	2

				<ul style="list-style-type: none"> Land & buildings are recorded with Land Registry monitoring tools used to ensure that no unauthorised changes are made. 			
Assets unsafe or not fit for purpose	2	3	3	<ul style="list-style-type: none"> Inspections at appropriate intervals for the asset in question. Clear details of how reports of unsafe or missing equipment can be reported to the Clerk by councillors and general public. 	1	2	2
Historic Land Contamination within the Allotments	3	2	6	<ul style="list-style-type: none"> Allotment holders notified of risk before taking on a tenancy Details of potential risk clearly documented in tenancy agreement 	2	2	4

Risks Identified	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score Before Control	Management/Control of Risk	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score After Control
INSURANCE							
Insufficient or inappropriate insurance	2	3	6	Insurance documentation to be carefully checked against asset register and this risk register to ensure that it meets requirements.	1	2	2
Insurance invalidated by not following conditions.	2	3	6	Insurance documentation to be checked annually for any conditions that might need reflecting in ongoing plans, for instance the need to check playground equipment on a weekly basis.	1	2	2

Risks Identified	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score Before Control	Management/Control of Risk	Likelihood Score (1-3)	Impact Score (1-3)	Risk Score After Control
CLERK'S KNOWLEDGE, EXPERIENCE AND WELL BEING							
Parish Clerk is in a vulnerable position as a part-time home worker who is the only employee	1	3	3	Clerk to have an agreed annual work plan with support though regular "One-2-one" meetings and annual evaluations undertaken by the Chair or designated councillor.	1	2	2

Clerk does not have knowledge or experience necessary to correctly advice council members	2	3	6	<ul style="list-style-type: none"> On recruitment ensure that Person Specification correctly details the skills and experience required. Check at interview that these requirements are met. Clerk to have annual targets for personal development and for support by the Council If necessary, support Clerk through CiLCA training. 	1	2	2
Sudden loss of clerk through ill-health or resignation	1	3	3	<ul style="list-style-type: none"> All council administrative procedures to be properly documented so that a Councillor or an Interim Clerk can quickly and easily take up the workload. All user-names and passwords for Council equipment and systems to be held securely in a sealed envelope by the Chair or other delegated councillor. Details to be updated at least annually. Process to be documents for how Council equipment can be recovered from the Clerk's hone address in an emergency. 	1	2	2