Little Longstone Parish Meeting

Risk Management Policy and Risk Register

Version 1.0 - Draft for adoption at the assembly to be held on 26th August 2026

Part 1 - Risk Management Policy

1. Purpose

1.1 Little Longstone Parish Meeting (LLPM) recognises that effective risk management is an essential part of good governance and internal control. It helps the parish meeting protect public money, property, records and people, comply with its legal obligations, and make informed decisions.

1.2 This Policy establishes a proportionate system for identifying, assessing, controlling, monitoring and reviewing the significant risks arising from LLPM's activities.

1.3 The Risk Register in Part 2 is a living management document. It records the significant risks identified at the time of review, the controls already in place, any further action required, the residual risk and the person or body with lead responsibility for monitoring it.

1.4 Risk management does not require all risk to be eliminated. Some risk may properly be accepted where the assembly is satisfied that it is understood, proportionate and adequately controlled.

2. Responsibilities

2.1 The assembly has overall responsibility for risk management. It approves this Policy and the Risk Register, determines what action should be taken in response to significant risks, and decides what level of residual risk it is prepared to accept.

2.2 The Clerk maintains the Risk Register, monitors the operation of controls within the Clerk's responsibilities, brings significant new or changed risks to the attention of the Chair and assembly, and advises the assembly where professional or specialist advice may be required.

2.3 The Chair supports the Clerk in monitoring significant governance and continuity risks and ensures, so far as the Chair's role permits, that significant risk matters requiring a decision are brought before the assembly.

2.4 Where a risk relates to functions or property for which the Parish Trustees have a legal role, they shall be involved to the extent required by that role. The inclusion of a person or body as having lead responsibility in the Risk Register does not transfer the assembly's overall responsibility for LLPM's decisions.

2.5 Internal audit provides independent assurance on the adequacy and effectiveness of LLPM's systems of internal control and risk management within the scope of the audit.

3. Risk management approach

3.1 LLPM will use the following risk-management cycle:

- **Identify** - identify significant risks that could prevent LLPM from carrying out its lawful functions, meeting its obligations or protecting its money, property, records or people.
- **Assess** - consider the likelihood of the risk occurring and the impact if it did occur.
- **Control** - identify existing controls and decide whether further action is necessary.
- **Monitor** - monitor whether controls remain effective and whether the nature or level of the risk has changed.
- **Report** - bring significant new risks, material changes and required actions to the assembly.
- **Review** - review the Risk Register regularly and the Policy at least annually.

3.2 The Risk Register should describe enduring risks rather than merely record individual current problems. A current issue, dispute or project may be noted where relevant to the management of an underlying risk, but should not normally define the risk itself.

3.3 Separate risk assessments may be prepared where a particular activity, event, project or health and safety matter requires more detailed assessment than is appropriate in the strategic Risk Register.

4. Risk assessment and scoring

4.1 Each risk is assessed for likelihood and impact using a three-point scale:

Score	Likelihood	Impact
1 - Low	Unlikely to occur	Limited effect on LLPM's finances, operations, legal compliance or reputation
2 - Medium	Could occur	Material effect requiring management action
3 - High	Likely to occur or a continuing exposure	Serious effect on LLPM's finances, operations, legal compliance, property or ability to function

4.2 The likelihood and impact scores are multiplied to give a risk score between 1 and 9.

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

4.3 The inherent risk is the level of risk before taking account of existing controls. The residual risk is the level remaining after those controls have been taken into account.

4.4 As a guide, scores of 1-2 are Low, 3-4 are Medium and 6-9 are High. High residual risks require prompt consideration by the assembly and, where appropriate, a recorded action plan. A Medium residual risk may be accepted where the assembly is satisfied that further control would be disproportionate or impracticable.

5. Risk treatment and controls

5.1 In deciding how to respond to a risk, LLPM may:

- avoid the risk by ceasing or changing the activity;
- reduce the likelihood or impact through procedures, checks, training, professional advice or other controls;
- transfer or share part of the risk, for example through insurance or contractual arrangements; or
- accept the residual risk where it is understood and considered proportionate.

5.2 The Risk Register shall distinguish between controls already in place and further action that is proposed or required. A proposed policy, procedure or other measure shall not be treated as an existing control until it has been implemented.

5.3 Controls should be proportionate to the significance of the risk and should not create unnecessary administrative burdens.

6. Reporting and review

6.1 The Clerk shall keep the Risk Register under review and update it when a significant new risk is identified, an existing risk materially changes, a control is implemented or ceases to be effective, or an action is completed.

6.2 Significant new or increased risks and overdue actions shall be reported to the next appropriate assembly. Where a matter is urgent, the Chair and Clerk shall act within their lawful authority and any relevant Standing Orders or Financial Regulations and report the matter to the assembly.

6.3 The assembly shall formally review the Risk Register at least annually and when considering the Annual Governance and Accountability Return.

6.4 This Policy shall be reviewed at least annually and sooner where there is a material change in legislation, LLPM's activities, governance arrangements or risk profile.

7. Financial resilience and reserves

7.1 LLPM shall consider financial resilience as part of its risk management. This includes the reliability and concentration of income, foreseeable liabilities, the adequacy and accessibility of reserves, banking arrangements and the potential financial effect of significant risks.

7.2 The level of reserves is a matter for the assembly to determine in the light of current circumstances. Current balances and specific financial exposures belong in the Risk Register, budget or financial reports rather than in this standing Policy.

Part 2 - Risk Register

This draft register is intended to identify LLPM's principal enduring risks. The scores and controls should be checked by the assembly against current arrangements before adoption. It should be reviewed again after the remaining August 2026 policy documents have been finalised.

R1	**Dependence on a single major commercial income source**		
Risk	Loss, interruption or material reduction of licence income could affect LLPM's ability to meet commitments or fund future activity. This could arise from late or non-payment, failure of the licensee, failure to obtain market value on renewal, or failure to have an appropriate successor licence in place when the existing licence expires.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 x 2 = 4 (Medium)**
Existing controls	Licence awarded through a documented competitive process; written licence terms; payment arrangements designed to reduce exposure to non-payment; substantial reserves provide short-term financial resilience.	**Further action / lead**	Monitor licence payments and compliance; keep market value under review; begin renewal or retendering sufficiently in advance to allow an appropriate successor licence to be in place before the existing licence expires. **Lead: Clerk / assembly**

R2	**Failure to safeguard and properly account for public money**		
Risk	Inadequate accounting, banking or payment controls could result in error, fraud, unauthorised expenditure, loss or misuse of public money, inaccurate financial information, or errors and irregularities not being identified promptly.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 x 3 = 6 (High)**
Existing controls	Financial Regulations establish requirements for expenditure authorisation, payment controls, bank reconciliation, financial reporting and independent checks. Payments are currently made by cheque requiring two authorised signatures. Funds are held with regulated financial institutions, with statements or passbooks providing independent records of transactions and balances. Internal audit provides independent review.	**Further action / lead**	Modernise LLPM's financial-management arrangements by simplifying banking arrangements and introducing appropriate online banking and a local-authority accounting system. Establish regular bank reconciliations, budget preparation and budget monitoring. Provide the assembly with regular financial reports showing actual income and expenditure against budget and reconciled bank balances, with an independent elector checking the reconciliation against bank statements. Reduce reliance on cheque payments and review bank mandates, payment authorisations and fidelity guarantee cover as the new arrangements are introduced. **Lead: Clerk / assembly**

R3	**Expenditure or action without lawful authority**		
Risk	LLPM must ensure that it has appropriate legal authority for its expenditure, commitments and other actions. Failure to identify adequate authority could result in unlawful expenditure, inability to fulfil a commitment, legal challenge, audit criticism or financial loss.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**1 x 3 = 3 (Medium)**
Existing controls	Standing Orders and Financial Regulations require the legal authority for significant decisions and expenditure	**Further action / lead**	Apply the requirements of the Standing Orders and Financial Regulations consistently to future expenditure and

	to be identified and recorded. The Clerk advises the assembly on the powers available to the parish meeting, and specialist advice may be obtained where the position is uncertain.		commitments. Ensure that appropriate legal authority is identified before a commitment is made and recorded in the relevant minutes. Obtain specialist advice where the legal position is uncertain. **Lead: Clerk / assembly**

R4	**Failure to comply with accounting, audit and financial transparency obligations**		
Risk	Failure to maintain adequate accounting records, complete the AGAR accurately and on time, arrange effective internal audit, provide for the exercise of electors' rights, or meet statutory financial publication requirements could result in audit qualification, additional audit work and cost, regulatory criticism, or loss of public confidence.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 x 3 = 6 (High)**
Existing controls	Financial Regulations require appropriate accounting records, preparation and approval of the AGAR within the statutory timetable, independent internal audit, arrangements for the exercise of electors' rights, and consideration of any internal or external audit findings by the assembly. The Chair has statutory responsibility for keeping the accounts of the parish meeting, with the Clerk undertaking day-to-day financial administration and preparation of the financial records. The assembly retains responsibility for approving the Accounting Statements and Annual Governance Statement.	**Further action / lead**	Establish an annual financial and audit compliance timetable; introduce the planned accounting system and budget process; complete and independently verify regular bank reconciliations; and ensure that all financial information required by legislation and proper practices is published within the required timescales. Once established, use the Parish Meeting website as the principal means of making financial and governance information readily accessible. **Lead: Chair / Clerk / assembly**

R5	**Legal challenge or dispute**		
Risk	Decisions, commercial arrangements, land or asset management, and other LLPM activities may give rise to legal challenge, claims or disputes. These may result in financial loss or liability, legal costs, delay, diversion of resources or disruption to LLPM's activities.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 x 2 = 4 (Medium)**
Existing controls	Significant decisions are taken by the assembly and recorded in the minutes. Standing Orders and Financial Regulations provide procedures for decision-making, expenditure, procurement and commercial arrangements. Professional legal or other specialist advice may be obtained where appropriate. Relevant insurance is maintained.	**Further action / lead**	Consider legal and contractual risk before entering significant commitments or making decisions with material legal implications. Obtain appropriate professional advice where the risk or legal position warrants it. Following any significant claim or dispute, review whether changes to LLPM's procedures or controls are required. **Lead: Clerk / assembly**

R6	**Loss of administrative continuity or institutional knowledge**		
Risk	The departure, prolonged absence or incapacity of the Clerk, Chair or another key person could result in loss of access to records, accounts, correspondence or systems; missed statutory or contractual deadlines; inadequate handover of ongoing matters; or loss of institutional knowledge.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 × 3 = 6 (High)** currently, expected to reduce to **1 × 3 = 3 (Medium)** once the further actions are implemented.
Existing controls	Formal decisions are recorded in the minutes and key governance and financial records are retained. Standing Orders and Financial Regulations define the principal responsibilities of the Chair, Clerk and assembly.	**Further action / lead**	Establish arrangements to ensure continuity of access to LLPM's official records, email, financial information and other essential systems if the Clerk or another key person becomes unavailable. Maintain a documented annual calendar of statutory, financial, contractual and administrative deadlines and sufficient procedural notes to enable an orderly handover. Ensure that official records and access arrangements are held independently of any individual's personal accounts or devices. **Lead: Clerk / Chair**

R7	**Loss, unauthorised disclosure or inappropriate retention of information**		
Risk	Loss, unauthorised access, inappropriate disclosure, alteration or excessive retention of personal data or other LLPM information could result in legal non-compliance, loss of important records, operational disruption or loss of public confidence.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 × 3 = 6 (High) currently**, expected to reduce to **1 × 2 = 2 (Low)** once the further actions are implemented.
Existing controls	The Clerk maintains LLPM's official records and controls access to non-public information. Statutory requirements and existing governance arrangements provide the framework for handling and disclosure of information.	**Further action / lead**	Adopt and implement appropriate data protection, privacy and records-retention arrangements. Establish secure and resilient storage and backup arrangements for electronic records, with access limited to those who require it. Ensure that personal information is retained only for as long as necessary and disposed of securely when no longer required. **Lead: Clerk**

R8	**Failure to maintain and provide access to public records**		
Risk	Inadequate creation, retention or organisation of official records, or failure to provide or publish information when required, could result in loss of the evidential record of LLPM's decisions, inability to respond properly to information requests, legal non-compliance, impaired accountability or loss of public confidence.		
Inherent risk	**2 x 2 = 4 (Medium)**	**Residual risk**	**2 × 2 = 4 (Medium) currently**, expected to reduce to **1 × 2 = 2 (Low)** once the further actions are implemented.
Existing controls	Formal decisions are recorded in the minutes and supporting governance and financial records are retained. Agendas and minutes provide a public record	**Further action / lead**	Adopt and implement the Publication Scheme and Records Retention Policy; establish an organised filing and archive system for LLPM's permanent and current records; and

	of the assembly's business. The Clerk is responsible for maintaining LLPM's official records and responding to requests for information in accordance with the applicable legislation.		establish a Parish Meeting website to provide ready public access to minutes, policies, financial information and other information routinely required or appropriate for publication. Ensure that information requests are recorded and dealt with within the applicable statutory timescales. **Lead: Clerk**

R9	**Loss, damage or liability arising from land and assets**		
Risk	Land or other assets for which LLPM has responsibility may be damaged, lost, deteriorate or become unsafe. Inadequate inspection, maintenance or management, uncertainty over legal responsibilities, or injury or damage to third parties could result in financial loss, legal liability, loss of amenity or disruption to LLPM's activities.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 × 3 = 6 (High) currently**, expected to reduce to **1 × 3 = 3 (Medium)** once the further actions are implemented.
Existing controls	LLPM maintains records of its land and assets. Relevant insurance is maintained. Management and maintenance matters are considered by the assembly as required, with professional or specialist advice obtained where appropriate. The Parish Trustees are involved where their legal role requires it.	**Further action / lead**	Establish proportionate arrangements for periodic inspection of land and physical assets, recording significant defects or incidents and ensuring that necessary remedial action is considered. Review insurance cover and clarify responsibility for inspection, maintenance and other management functions where necessary. **Lead: Clerk / assembly**

R10	**Inadequate or invalid insurance cover**		
Risk	LLPM may suffer financial loss or liability if appropriate insurance is not maintained, the level or scope of cover is inadequate, material circumstances are not disclosed to the insurer, or policy conditions are not complied with.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**1 x 3 = 3 (Medium)**
Existing controls	LLPM maintains insurance cover and the Financial Regulations require the adequacy of insurance arrangements to be reviewed at least annually, including public liability, employer's liability where applicable, fidelity guarantee and cover for property and assets. The assembly determines the appropriate level of fidelity guarantee cover.	**Further action / lead**	As part of the annual insurance review, check the scope and level of cover against the Risk Register, LLPM's current assets, activities, financial balances and contractual or commercial arrangements. Identify any significant exclusions or policy conditions and ensure that arrangements are in place to comply with them. Review cover when a significant new activity or liability arises rather than waiting for annual renewal. **Lead: Clerk / assembly**

R11	Health and safety		
Risk	Activities undertaken or arranged by LLPM, work carried out on its behalf, or land and assets for which it has responsibility may expose members of the public, contractors or others to risk of injury or harm. Failure to identify and manage significant hazards could result in injury, legal liability, financial loss or disruption to LLPM's activities.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 × 3 = 6 (High) currently**, expected to reduce to **1 × 3 = 3 (Medium)** once the further actions are implemented.
Existing controls	The assembly considers health and safety implications when commissioning work or undertaking activities. Contractors are expected to be competent and appropriately insured, and specific safety arrangements are made where the nature of an activity requires them. Significant defects or hazards brought to LLPM's attention are considered for appropriate action.	**Further action / lead**	Maintain an Action Log recording actions arising from assembly resolutions, identifying responsibility and any relevant target date, and include review of the Action Log as a standing item on the agenda for ordinary assemblies. Review LLPM's governance documents periodically and after any material change in legislation, responsibilities or working arrangements. **Lead: Clerk / assembly**

R12	Governance and implementation of decisions		
Risk	Failure to follow LLPM's governance arrangements, clearly record decisions, manage conflicts of interest, allocate responsibility for agreed actions or monitor their implementation could result in invalid or ineffective decisions, actions not being carried out, inconsistent administration, avoidable disputes or loss of public confidence.		
Inherent risk	**2 x 3 = 6 (High)**	**Residual risk**	**2 × 2 = 4 (Medium) currently**, expected to reduce to **1 × 2 = 2 (Low)** once the governance arrangements are fully established.
Existing controls	Standing Orders and Financial Regulations establish procedures for assemblies, decision-making, interests, financial administration, delegation and implementation of decisions. The Complaints Procedure and Code of Conduct provide additional governance standards. Decisions of the assembly are recorded in the minutes and the Chair and Clerk have defined roles.	**Further action / lead**	Maintain a simple record of actions arising from assembly resolutions, identifying responsibility and any relevant deadline, and report outstanding significant actions to subsequent assemblies. Review LLPM's governance documents periodically and after any material change in legislation, responsibilities or working arrangements. **Lead: Chair / Clerk / assembly**

Review and adoption

Policy version reference	1.0 - Draft
Date of Assembly and Minute Reference	26th August 2026 - MINUTE REF TO BE ADDED
Next review due	May 2027
Register review	At least annually and whenever a significant risk or control materially changes