RISK MANAGEMENT POLICY

1. **Introduction**

1.1 The council recognises that it has a responsibility to take all reasonable and practical measures to safeguard its employees, the people it works with and provides services for, and to protect the natural and built environments for which it is responsible.

1.2 The council is aware that some risks cannot be eliminated fully and has in place a strategy that provides a structured, systematic and focused approach to managing risk

2. **Objectives**

2.1 The objectives of the risk management policy are to:

- Integrate risk management into the culture of the council
- Manage risk in accordance with best practice and legislative requirements
- Minimise loss, disruption, injury and damages
- Inform policy and operational decisions by identifying risks and their likely impact
- Raise awareness of the need for risk management

2.2 These objectives will be achieved by:

- Identification of risk and level of risk.
- Undertaking risk assessments and reviewing them annually
- Managing the risk and recording controls and mitigating action
- Incorporating risk management considerations into council processes
- Providing appropriate training
- Establishing clear roles, responsibilities and reporting lines
- Effective communication with, and active involvement of, employees

RISK REGISTER (ASSESSMENT AND MANAGEMENT)

BACKGROUND

Risk management is making sure informed decisions are made based upon facts and the risks identified, which typically might be those of finance and safety. The majority of risk can be eliminated if the Parish Council ensures that it operates according to all relevant rules, legislation, procedures and codes of conduct appertaining to its functioning. Strict adherence to financial disciplines and controls is of paramount importance at all times.

A risk assessment is nothing more than a careful examination of all aspects concerning a particular event/action so that an informed decision can be made knowing that unnecessary risk has been eliminated and any remaining risk together with its possible impact has been identified.

For the ease of implementation and control of a risk management process there are a number of individual activities/responsibilities that can be grouped together under the following headings: -

Physical assets - buildings, furniture, equipment, machinery etc.

Financial - budgeting, financial accounting, fraud control, petty cash, supporting documentation etc.

General Liability - injury to individuals and third parties, failure to oberve legal obligations of Parish Councils..

Employer Liability - the rights of any employee are upheld.

Councillor propriety - adherence to code of conduct, declaration of interests etc.

Legislative/Regulatory Risk, arising from actions by central Government or the Principal Authority.

The risk scoring method, risk assessment and management controls for Claygate Parish Council are outlined in Annex A below.

ANNEX A1
RISK REGISTER SCORING

Scoring:-

Probability		Rating*	Impact	
R(emote)	may only occur in exceptional circumstances	1	S(light)	•slight impact on service •slight impact on reputation •complaint possible •litigation possible but unlikely
U(nlikely)	expected to be occasional occurrence	2	Mod(erate)	•some service disruption •potential for adverse publicity - avoidable with careful handling •complaint probable •litigation possible
P(robable)	expected to occur in many circumstances	3	Dis(ruptive)	•service disrupted •adverse publicity not avoidable •complaint probable •litigation probable
F(requent)	expected to occur frequently and in most circumstances	4	Cat(astrophic)	•service interrupted for significant time •major adverse publicity not avoidable (national media) •major litigation expected •resignation of senior management and board •loss of beneficiary confidence

Scoring Method			
Prob (p)	Impact (m)	pm	pm + m
1	1	1	2
2	1	2	3
3	2	6	8
2	3	6	9
1	4	4	8
2	4	8	12
3	4	12	16
4	4	16	20

Score Categories		Impact>			
Trivial 1-4	Prob.	1	2	3	4
Moderate 5-8	1	2	4	6	8
Serious 9-11	2	3	6	9	12
Severe 12-14	3	4	8	12	16
Critical 15-20	4	5	10	15	20

Category Oversight	
Assets	Clerk
Finance	RFO & Chair F&GP
Legal & Regulatory	Clerk
Councillor Propriety	Clerk & Chair

ANNEX A2 **June 2026**
RISK REGISTER (ASSESSMENT AND MANAGEMENT)

Score = pm + m

CATEGORY	RISK	PROBABILITY	IMPACT	SCORE	THREAT LEVEL	CONTROL	REVIEW	EFFECTIVENESS OF CONTROL
Assets	Loss of or damage to physical assets	2	2	6	Moderate	Assets insured. Value reviewed annually.	Annual	H
Finance	Bank acounting errors	1	3	6	Moderate	Use recognised mainstream companies.		H
	Loss of cash through error, theft/ dishonesty	1	1	2	Minor	No petty cash held. Insurance in place.	Annual	H
	Misappropriation of funds	1	4	8	Moderate	Insurance in place. Internal Audit scrutiny.	Annual	H
	Incorrect payments & accounting errors	3	3	12	Severe	i. Monthly bank reconciliation prepared by Clerk, verified at least quarterly by a councillor (not the Chair) and reported to Council	Monthly	H
						ii. Internal & external audit.	Annual	
						iii. Two signatories required on cheques and Faster Payments		
						iv. Three-monthly analysis of receipts & payments for Finance & General Purposes / Parish Council meeting	Bi-monthly	
						v. Expenditure against budget reported every 2-3 months for Finance & General Purposes Committee	Quarterly	
						vi. Use of customised computer system.		
						vii. Invoices signed off as payable by relevant Councillor.		
						viii. One-off non-budgeted payments approved by Council.		
						ix. Clerk checks for receipt of payments from EBC		
						x. Contracts for work reviewed in accordance with Financial Regs..		
	Errors in Annual Return leading to fines & reputational damage	2	2	6	Moderate	Annual Return figures are agreed at Council meeting and examined by Internal and External Audit and submitted within deadline.	Annual	H
	Inaccurate budgeting for Precept causing cash flow issues and reputational damage	2	3	9	Serious	Annual budget reviewed and agreed by full Parish Council.	Annual	H

	Inadequate reserves to meet unbudgeted financial demands	2	4	12	Severe	Maintain general reserve for emergencies reviewed at Council meetings. Build up a fund that will help finance major projects in the future. Provision is made annually for election costs over the course of 4 years.	Bi-monthly Annual	H
	VAT/NIC errors leading to fines & reputational damage	1	2	4	Minor	VAT return automatically prepared by accountancy software. Advice from HMRC.	Bi-annually	H
						NICs are prepared automatically by a reputable payroll software company and provided within deadlines	Monthly	H
	Improper use of funds for Grants	1	2	4	Minor	Procedures for ensuring due diligence in awarding grants and monitoring grant expenditure in place. All Councillors made aware of potential s137 payments.		M
	Inadequate cash flow for projects	1	3	6	Moderate	Project appraisal must be completed & approved by Cllrs.		H
	Incorrect/fraudulent salary payments	1	3	6	Moderate	Recognised reputable payroll software is used. Salary payments authorised & checked by 2 signatories.	Monthly	H
						Pay levels are those agreed by NALC and reviewed annually.	Annually	H
	Compensation claims for injury or damage	1	4	8	Moderate	Insurance in place. Risk Assessments for Council activities carried out and implemented and review annually	Annually	H
	Late payment of precept	2	3	9	Serious	Maintain sufficient General Reserves to cover delayed receipts	Bi-monthly	H
	Lose FSCS compensation	1	4	8	Moderate	Ensure account balances stay below £120k threshold	Bi-monthly	H
General Liability	Legal liability as consequence of asset ownership.	2	4	12	Severe	Regular annual physical review & repair as necessary. Public liability insurance in place.	Annual	H
	Non-compliance with regulations	2	3	9	Serious	Policies & procedures in place.	Annual	M
	Accidents to staff and visitors	1	3	6	Moderate	Annual inspection of office.	Annual	H
	Errors by staff	3	3	12	Severe	Staff training undertaken. Clerk identifies training areas/needs.		M

	Acting *ultra vires*	2	3	9	Serious	Clerk consults reference books on legal matters. Advice sought from SALC, EBC legal dept. or other sources where necessary		M
	Inadequate or delayed Minutes	1	2	4	Minor	Council meets every one/two months and receives & approves minutes of meetings held in interim. Minutes promptly put on website and sent to Parish Council members	Bi-monthly	H
	Loss of information through inadequate document control	2	3	9	Serious	Documents kept in office in filing system. Back-up of electronic data is by online back-up. Kept within a locked cupboard and locked storeroom.		H
	Failure to observe statutory reporting requrements	1	2	4	Minor	Clerk adheres to Standing Orders, Financial Regulations as updated by NALC and reference books on legal matters. Advice sought from SALC or other sources where necessary		H
	Data Breach	1	4	8	Moderate	IT & Privacy Policies in place	Annual	H
	GDPR Non-compliance	2	3	9	Serious	IT & Privacy Policies in place	Annual	H
Employer Liability	Non-compliance with Employment Law	2	3	9	Serious	Membership of NALC and SLCC. Employer liability insurance in place.		H
Councillor Propriety	Failure to declare interests	2	4	12	Severe	All Councillors aware of Register of Interests & Hospitality Register. Register of Interests reviewed annually. Councillors aware of the need to declare relevant interests at every meeting.		M
	Breach of Code of Conduct	2	4	12	Severe	Councillors aware of Code of Conduct.		M
	Poor communications or use of social media leading to libel/slander claims.	2	4	12	Severe	Libel & slander insurance in place. Social Media Policy in place. Opinion of Head of Legal Services sought if necessary. Councillors aware all letters and emails should be channelled through the Clerk or Chairman before being sent, unless an acknowledgment of receipt of a communication, an action specifically tasked at a Committee or Council meeting, or of an on-going nature.		H
Legislation/Regulation	Restriction on Precepting Power	2	3	9	Serious	Lobby MP & SALC		L
	Removal of Precepting Power	1	4	8	Moderate	Lobby MP & SALC		L
	Loss of access to UA Planning Committee	3	3	12	Severe	Lobby MP and UA Councillors		L
Political	Campaign to abolish Council	2	3	9	Serious	Good		H