UPTON
PARISH COUNCIL **Risk Management Policy**

1. **Introduction**

1.1. This policy sets out how the Council will identify, assess and manage risks. This policy allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities and to maintain its integrity.
1.2. The policy has been adopted in accordance with guidance set out in the Practitioners' Guide 2025 (Governance and Accountability for Smaller Authorities in England) issued by the Smaller Authorities Proper Practices Panel (SAPPP) and also to comply with the Health and Safety at Work Act 1974.

2. **The Risk Management Process**

2.1. Risk management is the process whereby the Council methodically addresses the risks associated with what it does and the services it provides. The focus of risk management is to identify what can go wrong and take proportionate steps to minimise the impact of the risks identified or successfully manage the consequences if the risks occur or terminate the activity that could cause the risk. Effective risk management allows stakeholders to have increased confidence in the Council's corporate governance arrangements and its ability to deliver its services and priorities.
2.2. Risk management is not just about financial management; it is about protecting the ability of the Council to deliver high quality and safe public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation and can impact on the ability to achieve desired outcomes. The Council generally and members individually are responsible for risk management of the activities associated with the running of the Parish Council.
2.3. Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks (probability and impact); managing the risks to a level which is as low as reasonably practicable; and reviewing and reporting.

3. **Identifying Risks**

3.1. In order to manage risk, the Council needs to know what risks it faces. Identifying risks is therefore the first step in the risk management process and is carried out as a minimum on a yearly basis and when a risk is identified during Council's work.
3.2. The Council will identify the key risks to successfully achieving its outcomes and services, in the following categories:
   3.2.1. assets – damage to property.
   3.2.2. financial – loss of money, fraud, theft, embezzlement
   3.2.3. liability – breaking the law or being sued which includes Health and Safety requirements
   3.2.4. IT – failure of IT systems or misuse; and
   3.2.5. Councillor propriety – actions taken could harm the Council's public reputation.
3.3. Separate general risk assessments are carried out for each Council asset and for any new services and events, in line with the requirements of the Council's insurers. These

are carried out by the Clerk, drawing on the expertise of Councillors. All general risk assessments are reviewed full Council. Risk assessments carried out include:

- 3.3.1. Health and Safety Risk Assessment
- 3.3.2. Financial Risk Assessment
- 3.3.3. Remembrance Day Event Risk Assessment
- 3.3.4. Signage Removal Risk Assessment
- 3.3.5. Tree Planting Event Risk Assessment

4. **Assessing Risks**

4.1. Having identified potential risks, the Council assesses the probability of it happening and the impact it would have. This allows the Council to identify low, medium and high risks when considering what measures it should take.

5. **Managing Risks**

5.1. Risk is unavoidable, and every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The response to risk, which is initiated within the Council, is called 'internal control' and may involve one or more of the following standard responses:

- 5.1.1. **Tolerate:** For risks that are containable; where the possible controls cannot be justified (e.g., they would be disproportionate) and where risks are unavoidable (Probability of event is very low and impact is very high or the risk could not be reasonably expected to occur)e.g., terrorism.
- 5.1.2. **Treat:** Imposing controls so that the organisation can continue to operate; or introducing measures to deal with the risk by reducing either the probability of the risk occurring or the impact if it does occur.
- 5.1.3. **Transfer**: Buying in a service from a specialist external body or taking out insurance. Some risks cannot be transferred, especially reputational risk.
- 5.1.4. **Terminate**: Avoiding or cancelling activities where no response can bring the risk to an acceptable level. The risk therefore no longer exists.

5.2. The Council will use insurance (transfer risk) to help manage risk including the following:

- 5.2.1. The protection of physical asserts owned by the authority – buildings, street furniture, equipment etc (loss or damage)
- 5.2.2. The risk of damage to third party property or individuals as a consequence of the authority providing services or amenities to the public (public liability)
- 5.2.3. The risk of loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)
- 5.2.4. Loss of monetary funds through theft or dishonesty (fidelity guarantee)
- 5.2.5. Legal liability as a consequence of asset ownership (public liability)

5.3. The limited staff resources available to the Council means that it works with specialist external bodies to help manage risk include the following:

- 5.3.1. Maintenance for public open spaces, amenities or equipment
- 5.3.2. The provision of services in partnership with the unitary authority.
- 5.3.3. Banking arrangements, including borrowing or lending
- 5.3.4. Professional services (insurance provider, certified experts/inspectors, payroll provider, solicitors etc.)

6. **Reviewing and Reporting Risks**

6.1. The Council records risks Risk Assessment Register. This register is updated at the time that a risk is raised. It is reviewed by full Council at least annually.

6.2. New safety risks are raised with the council at the earliest opportunity for action.

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