

# Chelmer Village Council Risk Management Policy

## 1. Introduction

1.1. Chelmer Village Council has adopted this risk management policy in accordance with guidance set out in “Governance and Accountability for Local Councils – a Practitioners’ Guide (England)” issued by the Joint Practitioners Advisory Group (JPAG) and to give effect to the Health and Safety at Work Act 1974.

1.2. This document sets out the following:

- Parish Council’s Risk Management Policy
  - Objectives of Risk Management
  - Types of Risk
  - Roles and responsibilities
  - Risk Management process.
  - Approach to future monitoring
- 1.3. The policy aims to further develop risk management and raise its profile across the Parish Council by:
- Integrating risk management into the culture of the organization.
  - Embedding risk management through the ownership and management of risk as part of all decision-making processes.
  - Managing risk in accordance with best practice.

## 2. The Policy

2.1. Chelmer Village Council recognizes that it has a responsibility to manage risks effectively in order to:

- Protect its employees, assets, liabilities, and community against potential losses.
  - Minimize uncertainty in achieving its goals and objectives.
  - Maximize its opportunities.
- 2.2. The Parish Council acknowledges that some risks can never be fully eliminated, and its strategy provides a structured, systematic, and focused approach to managing risk.
- 2.3. Risk Management is an integral part of the Parish Council’s management processes.

## 3. Objectives of Risk Management

3.1. The objectives of risk management are to:

- Identify, evaluate, and manage the opportunities and risks to which the Parish Council is exposed, at strategic and operational levels.
  - Protect physical assets, promote employee and public safety, and maximize resources.
  - Embed risk management into day-to-day management and working arrangements.
  - Enable effective and safe delivery of services to local people and minimize the risk of significant failures.
  - Identify opportunities and risks associated with the Council’s budget options and business planning to ensure that opportunities and risks are controlled.
  - Enable better, more informed decision-making at all levels.
  - Review, evaluate, and implement issues identified from past experience.
  - Promote good corporate governance.
- 3.2. It is the responsibility of all Members and staff to have regard for risk management while carrying out their duties.
- 3.3. This Strategy will enable risks and opportunities to be identified, evaluated, controlled, monitored, and reported.
- 3.4. Seek assurances that action(s) are being taken on risk-related issues identified by auditors and inspectors.

## 4. Types of Risk

4.1. 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. 4.2. The Council will identify the key risks to achieving its priorities and service objectives, including:

- Financial risks (e.g., loss of money)
- Security risks (e.g., fraud, theft, embezzlement)
- Property risks (e.g., damage to property)
- Legal risks (e.g., breaking the law or being sued)
- IT risks (e.g., failure of IT systems or misuse)
- Reputational risks (e.g., actions that could harm the authority’s public reputation)
- Risks related to the loss of key staff.

## 5. Roles and Responsibilities for Risk Management

5.1. All Members and staff of the Parish Council are responsible for risk management. 5.2. All Members:

- Have collective responsibility in understanding the strategic risks faced by the Parish Council.
- Ensure that all identified risks have been considered in decision-making, and countermeasures and controls are defined.
- Agree and publish a clear Risk Management Policy and oversee the effective management of risks by the Parish Clerk.
- Monitor the effectiveness of the Parish Council’s risk management arrangements.

## 6. The Risk Management Process

The risk management process involves several key steps, as outlined below:

### 7. Step 1: Identification of Risks

- The Parish Clerk is responsible for identifying and recording risks.
- Identification can occur through planned inspections, ad hoc requests, or noting risks during everyday working situations.
- When changes to working arrangements, new initiatives, events, or projects are planned, the Clerk should identify risks early in the process.

### 8. Step 2: Evaluation of Risks

- Upon identifying a risk, the Clerk assigns a risk factor using a risk matrix.
- The risk matrix considers both the likelihood of a risk materializing and its potential impact.
- Based on the risk level, appropriate actions are taken.

#### Risk Matrix: Table

	<b>Highly Likely (3)</b>	<b>Possible (2)</b>	<b>Unlikely (1)</b>	
<b>Likelihood / Impact</b>	<b>High (6-9)</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>

Likelihood / Impact	Highly Likely (3)	Possible (2)	Unlikely (1)
Medium (4-5)	Red	Amber	Green
Low (2-3)	Amber	Green	Green
Very Low (1)	Green	Green	Green

### 9. Step 3: Mitigation of Risk

- The Parish Clerk considers existing controls to mitigate risks.
- Controls may reduce the likelihood of a risk occurring or minimize its impact.
- Only existing controls already in place should be included in the risk assessment/notification form.

### 10. Step 4: Decide on Further Action

- After evaluation, four main control options are available:
  1. **Terminate the risk:** Discontinue the activity.
  2. **Transfer the risk:** Pass it on (e.g., to an insurer).
  3. **Treat the risk:** Implement additional controls to reduce impact or likelihood.
  4. **Tolerate the risk:** Accept the risk but continue monitoring and evaluating.
- If additional controls are needed (as part of “Treat the Risk”), the Parish Council reviews and approves the proposed action.

#### Expedited Response:

- If a risk response is expedited, the review and consideration involve the Chair, Vice-Chair, and Standing Committee Chairs. Details are entered into the risk assessment form, and the Parish Council is notified at its next meeting.

### 11. Step 5: Allocation of Responsibility

- Each risk should be passed to the Parish Clerk, who will be responsible for implementing controls, ensuring they are effective, and monitoring the risk.

### 12. Step 6: Completing the Risk Register

- All completed risk assessments must be reviewed by the Chair of the Council before entering them into the risk register.
- Risk assessments should be recorded in the risk register, grouped into separate files based on categories such as Financial (F), Property (P), Legal (L), Memorial Centre (MC), Open Spaces (OS), IT (IT), Reputational ®, Events (E), Members & Civic Activities (MM), and Staffing (ST).

## 13. Step 7: Monitoring and Reporting

- An annual review of the risk management arrangements for the Parish Council will be conducted by the Full Council.
- Four times a year, Parish Council meetings will include an agenda item for risk management to address any developments or issues.
- The Parish Council's risk management strategy will also be reviewed as part of the internal control environment within the Annual Governance Statement, agreed upon annually in June.

### Changes to this notice

We keep this Privacy Notice under regular review, and we will place any updates on ChelmerVillage Council — Essex, England (chelmer-pc.gov.uk) This Notice was updated in Dec 2023.

### Contact Details

Please contact us if you have any questions about this Privacy Notice or the personal data, we hold about you or to exercise all relevant rights, queries, or complaints at:

The Data Controller, Chelmer Village Council

Parish Centre, St. Augustine's Way,

Essex CMI 6GX

Email: [clerk@Chelmer-pc.gov.u](mailto:clerk@Chelmer-pc.gov.u)