CROMHALL PARISH COUNCIL

Risk Management Policy

Version	Date adopted	Minute ref:	Details / Key Changes	Review due
1.0	24/04/2019		First adoption	
1.0	15/06/2020	2020/06/5g	Reviewed & re-adopted	
1.0	06/05/2021	2021/05/06.9c	Reviewed & re-adopted	
1.0	11/05/2022	2022/05/11.9b	Reviewed & re-adopted	
1.1	23/07/2024	2024/07/10.3	Formatting changes to improve accessibility. Minor wording alterations for clarity – not specifically identified. Removal of duplicate or conflicting items	
2.0	28/08/2025	2025/07/10.1	Separation of policy from register (now in Excel spreadsheet). Added review period of four years for policy.	August 2029

What is Risk Management?

"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, standard of conduct and service delivery arrangements" (Audit Commission)

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.

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. Examples include:

- Strategic Risk – long term adverse impacts from poor decision making or poor implementation. Risks 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, or laid down procedures, or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals, 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 Council Tax levels/impact on Council reserves.
- Operating 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.

Not all these risks are insurable and for some the resulting premiums may not be cost effective. Even where insurance is available, a monetary consideration may 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.

Responsibility for Risk Management

Responsibility for effective Risk Management rests with all members of the Council. Members have ultimate responsibility for Risk Management as risks threaten the achievement of policy objectives. In the context of Risk Management, members:

- exercise leadership,
- consider and adopt current and future risk management policies and strategies, and
- support and monitor the risk management process.

The Chair has overall responsibility for securing adherence to the Council's policy on Risk Management.

Risk Management Policy Statement

Cromhall Parish Council recognises that it has a responsibility to manage risks effectively in order to protect employees, assets, liabilities and the community against potential losses and to minimise uncertainty in achieving its goals.

The Risk Management Policy of the Council is to be fully committed to effective Risk Management, adopting best practices in the identification, evaluation and control of risks, in order to:

- integrate risk management into the culture of the Council,
- eliminate or reduce risks to an acceptable level,
- anticipate and respond to changing social, environmental and legislative requirements,
- prevent injury and damage and reduce the cost of risk, and
- raise awareness of the need for Risk Management.

Approach to Risk Management

The Council's approach to Risk Management requires that all risks should be systematically identified and managed in the most cost-effective manner within overall resources available. Each risk identified by the Council is recorded in the Council's Risk Register. The impact is assessed, and appropriate control measures are put in place. Reviews and the management of the risk is assigned to the Council. The overall responsibility to ensure that this procedure is adhered to rests with the Council's Chair.

Review

This policy will be reviewed every four years. The accompanying Risk Register will be reviewed annually.