

# **Huggate Parish Council**

## **Risk Management Policy**

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### **1. Purpose**

Huggate Parish Council recognises that effective risk management is an essential part of good governance and sound financial management. This policy establishes a structured approach to identifying, assessing, controlling and monitoring risks that may affect the Council's ability to deliver its services, protect public funds, fulfil its legal obligations and maintain public confidence.

The Council aims to manage risks proactively rather than reactively and to ensure that appropriate measures are in place to reduce the likelihood and impact of adverse events.

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### **2. Scope**

This policy applies to all activities undertaken by Huggate Parish Council, including:

- Governance and decision-making
  - Financial management
  - Asset management
  - Employment and personnel matters
  - Health and safety responsibilities
  - Service delivery
  - Community events and projects
  - Legal and regulatory compliance
  - Information management and data protection
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### **3. Objectives**

The objectives of the Council's risk management process are to:

- Protect public funds and Council assets.
- Ensure compliance with legal and statutory obligations.
- Support informed decision-making.
- Safeguard councillors, employees, contractors, volunteers and members of the public.
- Protect the Council's reputation.
- Improve service delivery and project management.
- Ensure business continuity where reasonably practicable.

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## **4. Definition of Risk**

A risk is any event, action or omission that could adversely affect the Council's ability to achieve its objectives.

Risks may arise from:

- Financial loss
- Legal liabilities
- Health and safety incidents
- Operational failures
- Reputational damage
- Environmental factors
- Cyber security threats
- Failure of contractors or suppliers

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## **5. Roles and Responsibilities**

### **Full Council**

The Council is responsible for:

- Approving this policy.
- Reviewing the Council's risk management arrangements annually.
- Considering risk implications when making decisions.
- Ensuring adequate resources are available to manage identified risks.

### **Parish Clerk / Responsible Financial Officer (RFO)**

The Clerk/RFO is responsible for:

- Maintaining the Risk Register.
- Identifying emerging risks.
- Implementing approved control measures.
- Reporting significant risks to the Council.
- Ensuring appropriate insurance cover is maintained.

### **Councillors**

Councillors are responsible for:

- Identifying risks arising from Council activities.

- Considering risks when proposing and making decisions.
  - Reporting concerns to the Clerk and Council.
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## **6. Risk Management Process**

The Council will adopt the following process:

### **Step 1 – Identify Risks**

Risks will be identified through:

- Council meetings
- Internal reviews
- Audit reports
- Inspections of Council assets
- Complaints and incidents
- Legislative changes
- Advice from professional bodies and insurers

### **Step 2 – Assess Risks**

Each risk will be assessed according to:

#### **Likelihood**

|   | <b>Rating Description</b> |
|---|---------------------------|
| 1 | Rare                      |
| 2 | Unlikely                  |
| 3 | Possible                  |
| 4 | Likely                    |
| 5 | Very Likely               |

#### **Impact**

|   | <b>Rating Description</b> |
|---|---------------------------|
| 1 | Insignificant             |
| 2 | Minor                     |
| 3 | Moderate                  |
| 4 | Major                     |

## Rating Description

5      Severe

Risk Score = Likelihood × Impact

## Score Risk Level

1–4    Low

5–9    Medium

10–16 High

17–25 Very High

## Step 3 – Control Risks

The Council will consider whether risks should be:

- Avoided
- Reduced
- Shared (e.g. through insurance)
- Accepted where the level of risk is proportionate

## Step 4 – Monitor and Review

Risks will be reviewed:

- Annually as part of the Council's governance review.
- Following significant incidents.
- When new projects or services are introduced.
- When legislation or circumstances change.

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## 7. Key Risk Areas

The Council's Risk Register should include, but not be limited to, the following categories.

### Governance Risks

- Failure to comply with legislation.
- Failure to follow Standing Orders.
- Inadequate decision-making processes.
- Conflicts of interest not properly declared.

### Controls

- Training for councillors and Clerk.

- Up-to-date Standing Orders and Financial Regulations.
  - Proper recording of decisions and declarations.
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### **Financial Risks**

- Fraud or theft.
- Budget overspend.
- Banking errors.
- Inadequate financial controls.
- Loss of financial records.

### **Controls**

- Segregation of duties where practical.
  - Regular budget monitoring.
  - Internal and external audit.
  - Bank reconciliations.
  - Fidelity Guarantee insurance.
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### **Asset Risks**

- Damage to Council property.
- Theft or vandalism.
- Failure to maintain assets.
- Inaccurate asset records.

### **Controls**

- Asset Register maintained and reviewed annually.
  - Regular inspections.
  - Appropriate insurance cover.
  - Maintenance programme.
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### **Health and Safety Risks**

- Injury to members of the public.
- Unsafe Council-owned land or equipment.
- Risks associated with community events.

## **Controls**

- Routine inspections.
  - Risk assessments for events.
  - Public liability insurance.
  - Contractor competence checks.
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## **Personnel Risks**

- Loss of key personnel.
- Inadequate training.
- Employment disputes.

## **Controls**

- Training and professional development.
  - Employment policies and procedures.
  - Appropriate staffing arrangements.
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## **Information and Data Protection Risks**

- Data breaches.
- Cyber attacks.
- Loss of electronic records.
- Unauthorised access to information.

## **Controls**

- Compliance with UK GDPR and Data Protection legislation.
  - Secure passwords and access controls.
  - Data backups.
  - Staff and councillor awareness training.
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### **Reputational Risks**

- Poor communication.
- Failure to respond appropriately to complaints.
- Negative publicity.

### **Controls**

- Clear communication processes.
  - Complaints procedure.
  - Transparency and openness in decision-making.
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### **Project and Contract Risks**

- Cost overruns.
- Delays in delivery.
- Contractor failure.

### **Controls**

- Written contracts.
  - Competitive procurement processes.
  - Monitoring of project progress and expenditure.
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## **8. Insurance**

The Council will maintain appropriate insurance cover, including:

- Public Liability Insurance
- Employers' Liability Insurance (where applicable)
- Fidelity Guarantee Insurance
- Property and Asset Insurance
- Legal Expenses Cover (where appropriate)

Insurance arrangements shall be reviewed annually.

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## **9. Business Continuity**

The Council will take reasonable steps to ensure continuity of operations in the event of:

- Loss of records

- IT failure
- Illness or absence of key personnel
- Severe weather or other emergencies

Essential records shall be securely stored and backed up where appropriate.

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## **10. Risk Register**

The Council shall maintain a Risk Register which records:

- Identified risks
- Existing controls
- Risk ratings
- Additional actions required
- Responsible persons
- Review dates

The Risk Register will be reviewed annually and updated as necessary throughout the year.

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## **11. Monitoring and Review**

This policy shall be reviewed annually by Huggate Parish Council or sooner if required by:

- Changes in legislation
  - Significant incidents
  - Changes to Council activities
  - Recommendations from auditors or insurers
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## **Adoption**

This Risk Management Policy was adopted by Huggate Parish Council at a meeting held on:

**Date:** \_\_\_\_ 15<sup>th</sup> June 2026 \_\_\_\_

**Minute Reference:** \_\_\_\_ 9 \_\_\_\_

**Chairman:** \_\_\_\_\_

**Clerk/RFO:** \_\_\_\_\_

**Review Date:** \_\_\_\_ 15<sup>th</sup> June 2028

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## Appendix A – Example Risk Register Summary

| <b>Risk</b>              | <b>Likelihood</b> | <b>Impact</b> | <b>Score</b> | <b>Controls</b>                               |
|--------------------------|-------------------|---------------|--------------|-----------------------------------------------|
| Financial fraud          | 2                 | 5             | 10           | Internal controls, audit, bank reconciliation |
| Asset damage             | 3                 | 3             | 9            | Insurance, inspections, maintenance           |
| Data breach              | 2                 | 4             | 8            | Passwords, backups, GDPR compliance           |
| Health & Safety incident | 2                 | 5             | 10           | Inspections, risk assessments, insurance      |
| Legal non-compliance     | 2                 | 5             | 10           | Training, policies, professional advice       |

This policy is designed to align with the principles of good governance set out in the Joint Panel on Accountability and Governance Practitioners' Guide and the requirements of the Annual Governance and Accountability Return (AGAR) for local councils in England.