Street Parish Council

Risk Management Strategy

Date Adopted: Full Council 15 July 2025

Next Review: July 2026

1.0   Strategy Outline

1.1   This strategy sets out how Street Parish Council manages risk via this Risk Management Strategy together with Risk Registers, to protect its employees, assets, liabilities, reputation and community against potential losses.

1.2   Street Parish Council recognises that it has a responsibility to manage both internal and external risk and is committed to implementing this risk management strategy to protect the Council.

2.0   Strategy Objective

2.1   The purpose of the Risk Management Strategy is to ensure that Street Parish Council provides a structured, systematic and focussed approach to managing risk by identifying potential risks and reducing both risk / impact of risk through a process of mitigation and control. The Risk Management Strategy is intended to:

- Integrate risk management into the culture of the Council
- Identify risks
- Manage risk in accordance with best practice
- Consider and respond to changing social, environmental and legislative requirements
- Put in controls to minimise risk

3.0   Definition of Risk

3.1   The Audit Commission (2001) defined "risk" as an event or action which will adversely affect an organisation's ability to achieve its objectives to successfully execute its strategies.

4.0   Definition of Risk Management

4.1   Risk Management is an essential feature of good governance. An organisation that manages risk effectively 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 operations and management of finances.

4.2   Risk Management is the process by which risks are identified, evaluated and controlled, and includes the following actions:

a.	Elimination	The circumstances from which the risk arises are removed so that the risk no longer exists.
b.	Reduction	Control measures are implemented to reduce the impact/ likelihood of the risk occurring.
c.	Transfer	The financial impact is passed to others e.g. by revising contractual terms.
d.	Sharing	The risk is shared with another party.
e.	Insuring	Insure against some or all the risk to mitigate financial impact.
f.	Acceptance	Documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.
g.	Inspection Regimes	Ensure that the Council has adequate inspection regimes in place to serve as a statutory defence.

5.0   Types of Risk

5.1   Risks can be broken down into the following categories and are managed through this Strategy in conjunction with the Risk Registers.

a. Strategic Risks

Strategic Risks are those that need to be considered in any judgement about the medium and long-term goas and objectives of the Council. These may be:

Completeness	The completeness of the service/the ability to deliver best value.
Customer	Failure to recognise the changing needs and expectations of the community.
Economic	The Council's ability to meet its financial commitments.
Environmental	The environmental consequences of service delivery (in terms of energy efficiency, pollution, recycling, landfill needs, emissions etc).
Legislative	Current or potential changes in law.
Social	The effects in changes in demographic, residential or socio-economic trends on the Council's ability to deliver its objectives.
Technological	The Council's ability and capacity to deal with technological changes or changing demands.

b. Operational Risks

These are risks that affect the day-to-day management of Council operations.

Contractual	Those associated with the failure of contractors to deliver services or products to the agreed cost and specification.
Environmental	Relating to pollution, energy efficiency of ongoing service operations.
Financial	Financial planning and control and the adequacy of insurance cover ie legal cover: possible breaches of legislation.
Physical	Security of buildings and equipment, accident prevention and health and safety, fire risk etc.
Technological	Relating to a reliance on operational equipment, such as IT systems etc.

6.0   Review Statement

6.1   This strategy has been prepared in line with current legislation and recognised good practice. Changes in legislation may require the review of this policy outside of annual review process. The Council will conduct a thorough review of this strategy on an annual basis. It is the employee's responsibility to ensure that the copy of the policy being referred to is the most up-to-date version.

7.0   Purpose of a Risk Management Strategy

7.1   The Risk Management Strategy will help to ensure that the Council, its operations and the Council's Committees understand risk and adopts a uniform approach to identifying and prioritising risks. This should inform actions as to the most appropriate method of dealing with each risk.

7.2   Strategic Risk Management is also an important element in demonstrating continuous service improvement.

7.3   There is a requirement under the Accounts and Audit Regulations 2011 to establish and maintain a systematic strategy, framework and process for managing risk.

8.0   Equality

8.1   In accordance with the Equality Act 2010, no aspect of the strategy nor the Council's management of risk will discriminate on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In addition, it will not discriminate on the grounds of politics or union membership or any other grounds likely to place any employee or member at a disadvantage.

9.0   Governance

9.1   The Risk Management Strategy is an evolving and ongoing process. The effectiveness of controlling risk must be reviewed and monitored.

9.2   The information generated from applying the Risk Management Strategy will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover.

9.3   Full Council is ultimately responsible for Risk Management because risks threaten the achievement of policy objectives and the reputation of the Council.

10.   Monitoring of the Risk Management Schedule and Risk Registers

10.1   Full Council will lead and monitor the approach to Risk Management. <u>As a minimum</u>, Full Council must undertake an annual review of the Risk Management Strategy in line with its corporate governance responsibilities with oversight by Policy and Finance Committee as required.

10.2   Wider monitoring and active management of risk will also be undertaken by:

- Policy and Finance Committee who will monitor the Risk Register on a bi-annual basis (every six months).
- The Clerk and Officers who will manage Operational Risks on a regular basis and when issues arise.

Timeline of review (dates serve as a guide and best practice only)

Review type	Responsibility	Suggested date/time
Ad hoc Review of Risk Management Strategy	Policy and Finance Committee	As required
Final Review of Risk Management Strategy (before year end)	Full Council	January / February
Review of Risk Registers	Policy and Finance Committee	bi-annual basis (every six months)
Operational Risks	Town Clerk / Collective Responsibility	Regularly and as required

11.0 Roles and Responsibilities

11.1   It is important that risk management is managed effectively across the Council and Its operations

11.2 Councillors

Risk management is a key part of a Councillors role and there is an expectation that Councillors will lead and monitor the approach adopted, including:

a. Approval of the Risk Management Strategy.
b. Review of Risk Registers on a bi-annual basis as a minimum (twice per year) or as required.
c. Implementation of Risk Assessment.
d. Analysis of key risks ensuring that all future projects and services undertaken are adequately risk managed.
e. Consideration, and if appropriate, endorsement of the Annual Governance Statement
f. Assessment of risks whilst considering any project, service and when setting the budget.
g. Scrutinise financial and operational risk as required.

11.3 Employees

Risk management is a key part of an employee's role and there is an expectation that employees will regularly consider, monitor and actively manage risk as part of their role. Responsibility includes:

a. Adherence with the Council's Risk Management Strategy.
b. Participate in review of Risk Registers with advice to Council as appropriate.
c. Producing, implementing, sharing and adhering Risk Assessments.
d. Analysing risk to ensure that projects and services are adequately risk managed.
e. Advising members on adherence to risk management as part of the Annual Governance Statement.

f. Consideration and assessment of risks whilst considering any project, service and when preparing the draft budget.

g. Reporting any new perceived risks identified or encountered that require further assessment or current risks that are not being effectively managed.

11.4 **The Clerk**

The Clerk will act as the Lead Officer on Risk Management, assisted by the Deputy Clerk/ Responsible Financial Officer, and will be responsible for overseeing the implementation of the Risk Management Strategy.

The Clerk will:
a. Provide advice as to the legality of policy and service delivery choices.
b. Provide advice on the implications for service areas of the Council's objectives.
c. Update the Council on the implications of new or revised legislation.
d. Assist in handling any litigation claims.
e. Provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury.
f. Advise on any health and safety implications of the chosen or proposed arrangements for service delivery.

11.5 **The Deputy Clerk / Responsible Financial Officer (RFO)**

As the Council's Section 151 Officer the RFO will:
a. Assess and implement the Council's insurance requirements.
b. Assess the financial implications of strategic policy options.
c. Provide assistance and advice on budgetary planning and control.
d. Ensure that the Accounting Management System allows effective budgetary control.
e. Maintain the Council's Risk Register.
f. Effectively manage the Council's investment and loan portfolio.

11.6 **Role of Internal Auditor**

The Internal Audit provides an important scrutiny role by:
a. Carrying out audits to provide independent assurance to the Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.
b. Assisting the Council in identifying both its financial and operational risks and assisting the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

12.0 Implementing the strategy via the Risk Assessment Matrix

A risk assessment matrix has been developed, and individual risks can be evaluated. Refer to the Risk Assessment Matrix - Appendix 1.

The evaluation exercise will result in a risk score from which significant risks can be established. This will be based on likelihood and impact.

Refer to Danger Index - Appendix 2.

Identified risks, using the scoring matrix, will be added to the Council's Risk Registers.

Risk Assessment	
Hazard	**Likelihood of occurrence**
1 TRIVIAL eg discomfort, scratch, slight bruising	**1 REMOTE** Almost never
2 MINOR eg small cut, abrasion, basic first aid sufficient	**2 UNLIKELY** Occurs rarely
3 MODERATE eg strain, sprain, absent from work for more than 3 days	**3 POSSIBLE** Could occur but uncommon
4 SERIOUS eg fracture, amputation, hospitalisation for more than 24 hours	**4 LIKELY** Recurrent but not frequent
5 FATAL	**5 VERY LIKELY** Occurs frequently
Danger Index = Hazard X Likelihood **DI = H x L**	

Danger Index

Low Risk (1 - 8)	Medium Risk (9 - 12)	High Risk (15+)
Continue, but review periodically to ensure controls remain effective	Continue, but review regularly to identify improved controls	**STOP** Identify new controls. Activity must not proceed unless risk reduced to Medium