PARISH COUNCIL RISK MANAGEMENT POLICY & RISK REGISTER

Reviewed and agreed on 18 February 2026

1. What is Risk Management?

Risk refers to the possibility that events or actions may hinder the council's ability to meet its goals, implement strategies, or deliver services.

Risk management involves identifying, assessing, managing, and reviewing risks. The council is committed to taking reasonable measures to protect employees, stakeholders, and both natural and built environments.

Recognising that some risks cannot be fully eliminated, the council uses a structured strategy - including internal controls and insurance - to manage risks effectively.

2. Objectives

The risk management policy aims to:

- Embed risk management in council culture,
- Meet best practice and legal standards,
- Reduce loss, disruption, injury, and damage,
- Guide decisions by identifying risks and their impacts,
- Promote risk management awareness.

The following actions will help achieve these objectives:

- Identifying potential risks,
- Assessing those risks,
- Managing and documenting risks effectively,
- Integrating risk management into council procedures,
- Offering suitable training,
- Defining clear roles, responsibilities, and reporting structures.

3. Risk Register

The council identifies, assesses, and documents risks in a risk register, which is reviewed at least annually. The register helps the parish council evaluate risks and confirm appropriate management measures. Risks are described and rated based on their potential impact without controls, existing controls, and residual risk.

	Risk	Uncontrolled risk	Controls	Controlled Risk
Physical assets	Injury to third parties Deterioration of asset	Medium	Assets checked visually on a regular basis Play equipment inspected annually professionally Repairs carried out promptly when identified Ground maintenance work carried out professionally Insurance in place and reviewed annually Defibrillator supplies on annual contract	Low
Banking	Inadequate controls Bank mistakes Loss Charges	High	All monies held in accounts at Lloyds Bank, regulated by FCA Precept and grants paid by BACS direct to bank account Quarterly bank reconciliations reviewed by Council	Low
Records	Records are wrongly destroyed Records are inaccessible	Medium	Historical records stored at Somerset Heritage Centre Digital copies in cloud-based software Paper records stored in locked metal fireproof filing cabinet	Low
Budget	Failure to budget appropriately Failure to reclaim VAT	Medium	Draft detailed budget prepared by Clerk and agreed by Council Precept agreed by Council Reserve levels are reviewed by Council. Budget continuously monitored and reported quarterly VAT reclaims submitted at least annually by clerk Independent internal audits take place	Low
Payments	Incorrect or unauthorised payments made	High	Two signatories required All payments minuted in full RFO has been appointed External payroll company appointed	Low
Compliance	Meetings are not lawful Data not protected	Low	Appointment of Clerk Membership of NALC, SALC and SLCC GDPR data protection rules followed Privacy statement in place IT Policy in place	Low
Councillors	Unacceptable behaviour Lack of councillors Lack of skills	Low	Councillors agreed to abide by Code of Conduct Councillors submit Register of Interests to Somerset Council Vacancies are actively promoted Councillors receive training	Low
Governance	Inadequate internal or external oversight	Medium	Financial Regulations have been adopted and are regularly reviewed RFO has been appointed Internal audits undertaken annually by independent auditor	Low
Best value	Services are overpriced	Medium	Financial Regulations specify how many quotes are required. All estimates/quotes are reviewed and approved by full Council. All orders for goods and services are submitted by the Clerk	Low