COLSTERWORTH AND DISTRICT PARISH COUNCIL

RISK MANAGEMENT POLICY AND PLAN

1. POLICY

1.1 The recognition and management of risk is integral to the Council's stewardship of their assets and resources and the effective and efficient discharge of their duties and responsibilities to the community.

1.2 Risk assessment is a continuous process for the Council. Risks maybe financial or non-financial.

1.3 The Council are responsible for the management of risk in accordance with this policy and plan

1.4 The Parish Clerk is responsible for advising the Council on risk assessment and for conducting his/her duties in a manner, which avoids undue risks to the Council

1.5 The Clerk retains the insurance file and will deal with all matters relating to risk and insurance. This is detailed in the Clerk's job description.

1.6 The Council will support the Clerk in this role by facilitating training opportunities.

1.7 Key risks are identified in the Council's Risk Register (See CAD-Risk Register-Oct 2019)

1.8 Risk Management is an aspect of the internal controls operated by the Council through their approved Financial Regulations.

1.9 Internal Controls are subject to scrutiny by the internal and external auditor.

2. RISK MANAGEMENT PLAN

2.1 This plan defines how the Council will manage identified risks.

2.2 Risks can be defined as any threat or possibility that an action or event will adversely (or beneficially) affect the interests of the Council, e.g., financial, operational, reputational.

2.3 Risk management is not a process of avoiding risk altogether but seeks to identify risk and assess its implications in order to inform decisions.

2.4 The level of risk can be judged by the likelihood of it occurring and the effect (consequences) on the Council should it do so

Assessing the Risk

	Likelihood	Rare	Unlikely	Possible	Likely	Almost certain
Severity (Consequences)		1	2	3	4	5
Negligible	1	1x1 = 1	1x2 = 2	1x3 = 3	1x4 = 4	1x5 = 5
Minor	2	2x1 = 2	2x2 = 4	2x3 = 6	2x4 = 8	2x5 = 10
Moderate	3	3x1 = 3	3x2 = 6	3x3 = 9	3x4 = 12	3x5 = 15
Major	4	4x1 = 4	4x2 = 8	4x3 = 12	4x4 = 16	4x5 = 20
Catastrophic	5	5x1 = 5	5x2 = 10	5x3 = 15	5x4 = 20	5x5 = 25

1-3 Low risk 4-6 Moderate risk 8-12 High risk 15-25 Extreme risk

2.4 Judgement of the level of risk may rely on past experience or a specific assessment of a particular instance, or both. The Council will determine whether a risk is acceptable in all the circumstances.

2.6 Generally much of the identified risk, which can be quantified, is covered by insurances carried by the Council:
- o Public liability
- o Employer liability
- o Money
- o Fidelity guarantee
- o Property damage
- o Officials indemnity
- o Equipment

2.7. The Asset Register is updated during the year by the Clerk

2.8. Risk assessments (health & safety) are written and updated by the Clerk and any designated body and copies are retained.

2.9. Council sites are inspected regularly (at least annually) including cemeteries and allotments. Play areas the responsibility of the Council, are inspected monthly and an annual inspection is carried out by an external qualified inspector (See separate policy and protocols). All records are retained for at least 22 years.

2.10. The Council reviews its insurance policy every year at renewal

2.11. Financial risk assessments are carried out regularly by the Clerk and reported to Full Council at the earliest opportunity if risks are identified (see 2.13 below)

2.12 The appended Risks Register forms part of this Plan.

2.13. The Clerk/RFO will continually review the Risk Register to keep this updated. Any new or escalated risks will be reported to the Chairman and the Risk Register updated. Immediate action must be taken in the event of a “high” or “extreme risk”.

2.14. Any changes to the Risk Register (including the removal of any identified risks due to them being totally mitigated or resolved) will be reported to the Full Council.

2.15. The Risk Register must be discussed at every Council meeting under the “Clerks Report” ensuring that all exceptions to compliance are reported.

2.16. The Council will review the Policy and Plan as part of their annual budgetary procedure

2.17. The Council will review its system of internal control annually through the internal auditor

2.17. The Plan should read in conjunction with the Council’s Financial Regulations.

Document Control and Policy Review:

Adopted at Colsterworth and District Parish Council Meeting:	3rd November 2026
Chair:	E O’Neill
Responsible Officer/Clerk	N Denny (locum)
Document Control: Version	CAD-RiskManagement-Nov.2026
Policy Review Date	Nov 2027
Adopted at Colsterworth and District Parish Council Meeting:	4th November 2025
Chair:	E O’Neill
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Nov.2025
Policy Review Date	Nov 2026
Adopted at Colsterworth and District Parish Council Meeting:	5th November 2024
Chair:	C Hainsworth
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Nov.2024
Policy Review Date	Nov 2025
Adopted at Colsterworth and District Parish Council Meeting:	7th November 2023
Chair:	C Hainsworth
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Nov.2023
Policy Review Date	Nov 2024
Adopted at Colsterworth and District Parish Council Meeting:	1st November 2022
Chair:	C Hainsworth
Responsible Officer/Clerk	S Grant

Document Control: Version	CAD-RiskManagement-Nov.2022
Policy Review Date	Nov 2023
Adopted at Colsterworth and District Parish Council Meeting:	5th October 2021
Chair:	C Hainsworth
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Oct.2021
Policy Review Date	Oct 2022
Adopted at Colsterworth and District Parish Council Meeting:	1st September 2020
Chair:	C Hainsworth
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Sept2020
Policy Review Date	Sept 2021
Adopted at Colsterworth and District Parish Council Meeting:	Oct 2019
Chair:	C Hainsworth
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Sept2019-V1
Policy Review Date	Sept 2020
Adopted at Colsterworth and District Parish Council Meeting:	Sept 2018
Chair:	J Walden
Responsible Officer/Clerk	S Grant
Document Control: Version	CAD-RiskManagement-Sept2018-V1
Policy Review Date	Sept 2019

COLSTERWORTH AND DISTRICT PARISH COUNCIL RISK MANAGEMENT PLAN

Mission Statement of Parish Council:
To provide services for, and manage and maintain the assets of, the village of Colsterworth and District within the resources provided by the annual precept and other incomes, taking into account the wishes of the residents and obtaining value for money.

RISK	DESCRIPTION	RISKS	RISK CONTROLS	BY
(4)	Loss of Clerk due to sudden / long-term illness, incapacity or dismissal.	1. No access to the Clerk's computer records.	1. Chair to have a note of the Clerk's computer password in a sealed envelope. 2. Chair to have a copy of software log ins and passwords. 3. Chair to have a copy of important contacts. 4. Chair to have a hard copy of the Business Continuity Plan (BCP). 5. All Cllrs to have a copy of the Clerk's monthly checklist for all tasks. 6. Annual stress test for BCP/Clerk's monthly checklist. 7. Computer back up to the Cloud. 8. Any USB back up to be encrypted.	PO & Chair
(1)	To ensure compliance with Legislation, Council's Financial Regulations and Standing Orders and Code of Conduct.	2. Lack of knowledge of regulations and codes. 3. Lack of uptake for training	9. Councillors to refer all matters through the Clerk for advice and guidance. 10. Ensure that all Councillors have handbook including Code of Conduct, Standing Orders, Powers and Duties, policies and procedures 11. Facilitate training for all Councillors. 12. Take advice from LALC and Solicitors as required.	PO All Councillors
		1. Absence of standing orders	13. Review and ratify standing orders and scheme of delegation 14. Ensure there is an annual review	PO
		2. Actions by the PC outside its powers as set out by Legislation	15. As at 1 above but ensure that powers are highlighted or extracted into effective summary.	PO
		3. Lack of commitment to regulations and procedures.	16. Regular reference to appropriate regulations in agenda items. 17. Delegation of responsibilities to individual councillors.	PO Chair
		4. Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism	18. Financial Regulations and Scheme of Delegation identifying authority to act. 19. Introduce practice of estimates for all purchases over an agreed figure as recommended by the internal audit April 2017	PO
		5. Payments made without prior approval and adequate control.	20. Ensure all payments are approved in Council meetings and recorded in minutes. 21. Keep cash payments to a minimum and avoid if possible.	PO/RFO F&A Committee
		6. Lack of control of signatories to cheques	22. Keep authorised signatories to a minimum but consistent with practicalities. 23. Introduce electronic banking and BACS	PO/RFO
		7. VAT not properly accounted for, resulting in over-claims and large demands from HMRC.	24. Ensure appropriate publications held and that Clerk has good knowledge of regulations.	PO/RFO

RISK	DESCRIPTION	RISKS	RISK CONTROLS	BY
(2)	To identify and regularly review the Council's priorities	1. Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievement.	1. All councillors to be made aware of need for objectives and identification of risk. 2. Implementation of Committees to consider priorities for recommendations to full Council	PO Chair Chairs of Committee All Cllrs
		2. Lack of commitment by council members	3. Attend training sessions if practicable.	All Cllrs
		3. No risk analysis carried out.	4. Add risk assessment to agenda at least quarterly, reviewing particular items, and results against those items. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission	PO
		5. No steps taken to combat identified risks	6. As at 1 above.	PO
(3)	To influence other council departments and Government organisations to fulfil the requirements of the Parish population.	1. Lack of effective lines of communication with other organisations	1. Note all communication lines which are essential or beneficial and make information available to all councillors. 2. Establish contacts by name and where possible face-to-face	PO Chair
		2. Lack of effective lines of communication with parishioners	3. Take every opportunity to publicise role of Parish Council. 4. Create Parish newsletter if none exists. 5. Use Notice Boards and "flyers". 6. Use key issues to raise profile of PC and to test parishioners' views. 7. Add social event to occasional meeting. 8. Create Annual PC plan and put to parishioners for comment	PO Chair
		3. Lack of preparation on subjects requiring influence	9. Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information	PO Chair
		4. Lack of confidence by Parish Councillors	10. As at 1 above. 11. Experienced councillors to assist newcomers to establish essential contacts. 12. Delegate responsibility for specific contacts to individual councillors	PO/RFO Chair
(4)	To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide	1. Lack of knowledge of possible culpability of councillors	1. Creation of standing orders and familiarisation with those where greatest risk occurs	PO

RISK	DESCRIPTION	RISKS	RISK CONTROLS	BY
	adequate insurance cover for all possible risks	2. Lack of education of Councillors regarding culpability	2. As at 1 above. Delegate responsibility to one or two councillors to assist newcomers to understand culpability. 3. Attend any training courses available	PO Chair Cllrs
		3. Inadequate insurance cover taken out – property, personal liability, employer's liability	4. Review risk assessment by including on agenda at least quarterly	PO F&A Cllrs
(5)	To keep appropriate books of account accurately and up-to-date throughout the financial year	1. Lack of knowledge of accounting requirements	1. Ensure all councillors are familiar with current financial regulations and include them in the council's Standing Orders. 2. Regularly review Standing Orders. 3. Appoint separate RFO (perhaps a councillor) to ensure another line of responsibility for financial management.	PO/RFO Chair
		2. Lack of commitment to accounting requirements	4. As at 1 above. 5. RFO to produce financial reports at all meetings. 6. Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly.	PO/RFO Chair F&A
		3. Bank charges unnecessarily incurred	7. RFO to carry out regular inspection of books of account. 8. Internal audit to be undertaken periodically during the current financial year	
		4. Inaccuracies in recording amounts and totals in books of account. Bank reconciliations not carried out	9. RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. 10. Regular internal audits to advise on internal controls required	RFO F&A
		5. Inaccuracies and interest losses caused by account transfers	11. Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest-bearing account. 12. Ensure accounts are reported accurately to Council	RFO F&A
		6. The most beneficial interest terms not being employed	13. Ensure that favourable interest rate is obtained in deposit accounts and review against alternatives but bearing in mind the risks in changing accounts	RFO
		7. Inadequate control of cash receipts and payments	14. Avoid cash payments and receipts if possible. 15. Where cash payments and receipts are unavoidable use a properly controlled petty cash account with a set maximum balance.	RFO
		8. Books of account not kept up to date/ invoices not posted promptly.	16. Regular checks by RFO and internal auditor. 17. Financial reports at all PC meetings	RFO F&A
		9. Internal controls not in place or not operated.	18. Internal audit to be undertaken periodically during the current financial year	RFO F&A

RISK	DESCRIPTION	RISKS	RISK CONTROLS	BY
		10. Payments missed or delayed due to Clerk taking ill or leaves without replacement	19. Appointing separate RFO allows a further individual to be familiar with all aspects of financial matters	RFO Full Council
(6)	To ensure that payments made from council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the residents	1. Lack of knowledge of wishes of residents	1. As at (**3**).2 2. Ensure residents are consulted on all major financial issues	RFO F&A E&A H&F
		2. Use of funds not giving value for money	3. Effective budget planning processes. 4. Creation of annual plan after consultation process. 5. Creation of outline 2/3 year plan	RFO F&A E&A H&F
		3. Use of funds not in accordance with the wishes of the residents.	6. As at 2 above. 7. RFO to create effective financial management. 8. Internal audit checks to cover consultation process	RFO F&A
		4. Charges for use of facilities and services inadequate	9. Effective financial management by RFO. 10. Internal audit checks	RFO F&A
		5. Fund raising/grant applications not properly controlled or not in accordance with regulations.	11. All councillors to be aware of need to check regulations before commencing fund-raising activities. 12. Effective financial management by RFO	RFO F&A
(7)	To explore all possible sources of income and ensure that expected income is fully received	1. Lack of knowledge of possible sources of income e.g. grants. 2.	1. PO/RFO to work with committee chairs to gain experience of all grants available and application procedures.	PO/RFO F&A E&A H&F
		3. Lack of commitment to pursue possible sources of income	2. As at 1 above	PO/RFO F&A E&A H&F
		4. Receipts not banked or not banked promptly	3. Regular checks by F&A Committee. 4. Internal audit checks	RFO F&A
		5. Debts not pursued promptly.	5. As at 3 above.	RFO
		6. VAT claims not made promptly or made incorrectly.	6. Ensure Clerk has appropriate and up-to-date VAT official publications. 7. Regular checks by RFO. 8. Internal audit checks	RFO
(8)	To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate	1. Lack of knowledge of budgetary process, and of Council	1. Include regulations in Standing Orders issued to all councillors. 2. Place item on agenda early in year to remind councillors of budget process and actions required. 3. Delegated responsibility for managing initial budgetary process to RFO	RFO Chair

RISK	DESCRIPTION	RISKS	RISK CONTROLS	BY
		2. Lack of commitment to budgetary process	4. As at 1 above 5. Involve all councillors in budgetary process	RFO Chair
		3. Inadequate consideration of requirements for annual precept	6. Place item on agenda early in year to remind councillors of budget process and actions required. 7. Delegated responsibility for managing initial budgetary process RFO. **8.** Start consideration of need at least 4 months prior to submission date**.**	RFO Chair
		4. Calculation not in accordance with Council regulations	9. Create annual and quarterly plans to assist in process. 10. Checks by RFO and Internal Auditor.	RFO
		5. Inadequate internal controls with regard to monitoring expenditure	11. Checks by RFO and Internal Auditor. 12. Financial and budget progress reports to all PC meetings	RFO F&A
		6. Reserves too low	13. As at 5 above	RFO F&A
(9)	To ensure that salaries and expenses paid to employees and amounts paid to contractors are paid in line with council regulations, and are adequately monitored	1. Inappropriate rate of pay to employees.	1. Ensure employee regulations are available and understood by Clerk. 2. Checks by RFO. 3. Internal audit checks.	PO/RFO
		2. Tax and NI arrangements not in accordance with regulations.	4. As at 1 above	PO/RFO
		3. Amounts paid to contractors not in accordance with contract and inadequately monitored	5. Internal audit checks. 6. Checks by RFO. 7. F&A to monitor contract work carried out	PO/RFO F&A
(10)	To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail	1. Lack of knowledge of Council regulations and procedures	1. Include financial regulations in Standing Orders. 2. Attend training seminars where available. 3. Include a time table in Standing Orders/Committee terms of reference	RFO F&A
		2. Late or non- submission of annual accounts	4. RFO to monitor progress against timetable and report to PC meetings.	RFO F&A
		3. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements	5. Checks by RFO. 6. Internal audit checks	RFO F&A
		4. Inadequate audit trail from records to final accounts	7. As at 4 above	RFO F&A
(11)	To identify, value, and maintain all the assets of the Parish Council, and ensure that asset and	1. Lack of knowledge of assets of Parish Council.	1. Ascertain and record all assets for which Parish council is responsible. 2. Create permanent asset register.	PO

RISK	DESCRIPTION	RISKS	RISK CONTROLS	BY
	investment registers are complete, accurate and properly maintained	2. Assets lost or misappropriated	3. Establish who is responsible for security and maintenance of each asset. 4. Identify appropriate Committee responsible for regular monitoring of location and use of assets falling under its remit	PO F&A E&A H&F
		3. Inadequate or inaccurate valuation of the council's assets.	5. Arrange for periodic review of valuations and arrange for professional valuation where necessary. 6. Internal audit checks	PO
		4. Asset register not established or inadequately maintained.	7. Create asset register in accordance with Audit Commission requirements	PO
(12)	To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children etc	1. Lack of knowledge of applicable legislation	1. Clerk to have all appropriate legislation available. 2. Review liabilities and responsibilities periodically at PC meetings.	PO Chair
		2. Lack of public awareness of applicable legislation.	3. Include, as appropriate, in any public consultations.	PO
		3. Failure to comply with applicable legislation.	4. As at 1 above	PO Chair
(13)	To carry out adequate safety checks on all buildings, properties, and equipment for which the council is responsible	1. Lack of information on properties, buildings and equipment	1. Ensure that all current legislation and advice is held by Clerk. 2. Include in asset register all properties for which PC is responsible.	PO
		2. Lack of knowledge of safety requirements	3. Ensure that all current legislation and advice is held by Clerk. 4. Place subject as item on PC meeting agenda at regular intervals.	PO Chair
		3. Lack of commitment to carrying out safety checks.	5. As at 2 above. 6. Delegate responsibility for supervision of particular properties to individual Committees reporting back to council for any action	PO Chair F&A E&A H&F