

SWINDON PARISH COUNCIL**RISK MANAGEMENT POLICY****1 DOCUMENT INFORMATION**

This document was approved by council subject to minor changes at the meeting of 11th August 2020. It was issued with the appropriate amendments 11th May 2021.

2 INTRODUCTION

The Parish Council's operations and assets are affected by a wide range of internal and external factors that make their operating environments uncertain. These factors create uncertainty as to whether, and to what extent the Parish Council's objectives can be met. The effect this uncertainty has on the achievement of the Parish Council's objectives is known as 'risk'.

This policy is aligned with ISO 31001.

2.1 PURPOSE

The purpose of this policy is to establish the arrangements such that the Parish Council can effectively identify, and control risks associated with its operations and assets.

2.2 SCOPE

This policy applies to:

- All activities associated with the operations of the Parish Council.
- The assets owned by the Parish Council.

3 ROLES & RESPONSIBILITIES

This process requires the following roles and responsibilities:

Parish Councillors	<p>The Parish Councillors are responsible for:</p> <ul style="list-style-type: none"> • Approving the Risk Log annually. • Approving additions or changes to the Risk Log.
Parish Clerk:	<p>The Parish Clerk is responsible for:</p> <ul style="list-style-type: none"> • Owning and maintaining the Risk Log; • Monitoring risks and the implementation of new controls; • Highlighting changes to risks to Parish Councillors; • Undertaking and presenting an annual review of the Risk Log to Parish Councillors.

4 THE PROCESS

This section describes how this Risk Management Policy shall be implemented.

The Parish Council shall maintain a Risk Log that records all risks identified by the following steps. Additions or modifications to the Risk Log must be approved by the Parish Council. The approved Risk Log template is provided in Section 6.

4.1 IDENTIFYING THE RISK

Risks can be identified at any time by Parish Councillors, the Parish Clerk or members of the public. A short description of the risk should be added to the Risk Log. The Risk Description should identify:

- The source the risk;
- The cause of the risk;
- How the risk could be realised;

The impact of the risk should also be described in the Risk Log. The impact types could include, but are not limited to:

- **Financial Loss:** the risk, if realised, results in unplanned expenditure by the Parish Council;
- **Reputational:** the risk, if realised, could bring the Parish Council into disrepute;
- **Legal:** the risk, if realised, results in legal proceeding against the Parish Council;
- **Security:** the risk, if realised, results in security incident.
- **Organisational:** the risk, if realised, could stop the Parish Council from undertaking its intended functions;
- **Miscellaneous:** risks that do not fall within the other categories.

At least one of these impact types should be included in the impact column of the Risk Log. Risks may have more than one impact type. The Impact column should include a short description.

4.2 ANALYSING THE RISK

Once the risk has been identified, the risk should be analysed. This includes:

- Identifying any existing controls that effectively mitigate the risk;
- Determining the likelihood of the risk occurring;
- Ranking the impact of the risk should it occur;
- Calculating the overall Risk Rating.

The Parish Clerk is responsible for analysing the risk and presenting the draft risk analysis to the Parish Council for approval.

4.2.1 Identify Existing Controls

Existing controls are any pre-existing process, policy, device, practice or other action that acts to minimise the negative impact of the risk. In some circumstances existing controls may be adequate to effectively mitigate the risk. Relevant existing controls should be listed in the Existing Control Measures column of the Risk Log.

4.2.2 Determine The likelihood

The likelihood is scored between 1 and 5, with 1 indicating that there is a remote possibility of it occurring and 5 indicating that it is almost certain to occur. The likelihood should be considered based on the Existing Control Measures. Likelihood scoring is based on the expertise, knowledge and experience of the Parish Council. Guidance is provided in Table 1.

	Rare / Remote	Unlikely	Possible	Likely	Almost Certain
Likelihood Score	1	2	3	4	5
Actual Frequency	Every 5 years or more	Every 2 to 5 years	Every 1 to 2 years	Bi-annually	At least Monthly

Table 1: Risk Likelihood.

4.2.3 Assess the Impact

The impact is scored between 1 and 5, with 1 indicating there is a negligible impact, and 5 being an extreme impact. The impact should be considered based on the Existing Control Measures. Impact scoring is based on the expertise, knowledge and experience of the Parish Council. Guidance is provided in Table 2.

Impact	Negligible	Minor	Moderate	Major	Extreme
Impact Score	1	2	3	4	5
Financial Loss	< £1,000	< £10,000	< £100,000	< £1,000,000	> £1,000,000
Reputational	Rumours, no media coverage or public concern voiced. No review or investigation required.	Local, short term, media coverage. Some public concern. Minor effect on public attitudes. Internal review required.	Adverse local media coverage. Significant effect on public perception. Public calls for remedial actions. Comprehensive review or investigation necessary.	Adverse national media coverage < 3 days. Long term local adverse media coverage. Public confidence undermined. Possible review or investigation by third party.	Adverse national coverage > 3 days. Public confidence undermined. Public calls for remedial action. Legal Action. Review or investigation by authorities.
Legal	Minor legal fees.	Minor legal penalties and fees.	Significant legal penalties and significant fees.	Significant legal penalties, and surveillance by external body.	Very significant legal penalties, and surveillance by external body.
Security	Minor loss of data.	Loss of data or the unintended and limited disclosure of data to an unauthorised individual.	Loss of significant data or the disclosure of data to unauthorised group or organisation.	Loss of all data, or accessible by a malicious actor.	Loss of all data and data can be accessed, manipulated, and leveraged by a malicious actor.
Organisational	No impact.	Minor impact on Parish Council activities.	Moderate impact on Parish Council Activities.	Major impact on Parish Council activities.	Parish Council is no longer able to function.

Table 2: Description of different impacts.

4.2.4 Risk Rating & Assessment

Table 3 shows how the overall risk rating is determined.

	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Rare / Remote (1)	1	2	3	4	5

Table 3: Risk Rating

The risk rating should be recorded in the Risk Log. The risks are subsequently categorised as:

- High risk is scored between 15 and 25 and coloured **RED**.
- Medium risk is scored between 6 and 12 and coloured **AMBER**.
- Low risk is scored between 1 and 5 and coloured **GREEN**.

If a risk rating is higher than the current risk appetite of the Parish Council, further mitigation is required. If the risk rating is sufficiently low, no further mitigations are required.

The Parish Council's risk appetite is **LOW**.

4.3 MITIGATING RISKS

If existing controls do not reduce the risk rating to a satisfactory low level, then additional controls may be required. These can include:

- **Avoid the risk:** this is achieved by not pursuing the activity that is the source of the risk.
- **Transfer the risk:** this is achieved by transferring the risk to an outside party, e.g. an insurer.
- **Control the risk:** develop additional controls such as process, policy, practices or other action that acts to minimise the likelihood and negative impact of the risk.

Risk requiring additional controls are assigned the status Open (see Section 4.4). Any actions associated with establishing the existing controls should be listed in Additional Controls Required column of the Risk Log, including an owner and a due date.

4.4 MONITORING

To appropriately manage risks, the Parish Clerk is responsible for maintaining the Risk Log.

Risks should be assigned one of the following status:

- **Open:** Additional controls are required to appropriately control the risk;
- **Monitor:** existing controls are deemed adequate to manage the risk, but these need to be reviewed annually;
- **Closed:** the risk no longer exists.

The Parish Clerk is responsible for ensuring actions associated with Open risks are completed. If it is deemed that a risk's rating has changed, then the Parish Clerk should inform the Parish Council and present the revised Risk Log for approval at the next Parish Council Meeting.

4.5 RE-ASSESSMENT

Risk re-assessments should take place on an annual basis, at a minimum, to take account of any new controls that have been put in place since the original assessment, or any changes that have not been captured in the preceding year. The Parish Clerk is responsible for undertaking the re-assessment. It should be presented at the March Parish Council meeting for approval.

5 RELATED POLICIES

TBC.

6 APPENDIX

Risk ID	Description	Impact	Existing Control Measures	Likelihood	Impact	Risk Rating	Additional Controls Required	Status
Unique Identifier	Provide a concise description of the risk, including its source, cause and how the risk could be realised.	Describe what the impact will be, referencing the risk types identified in section 4.1.	List the existing control measures, such as policies, audits, insurance etc.	The likelihood score (1 to 5).	The impact score (1 to 5).	The overall risk rating (1 to 25)	Any additional controls that are required, including any associated actions, their due date and their owner.	The risk status, either Open, Closed or Monitor.

25 Table 4: The Risk Log format.