



# Compton Martin Parish Council

## Risk Management Policy

### 1. Introduction

This document forms Compton Martin Parish Council's Risk Management Strategy and Risk Management in accordance with best practice. Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. Strategic risk management is an important element in demonstrating continuous service improvement. There is a requirement under the Accounts and Audit Regulations 2015 to establish and maintain a systematic strategy, framework and process for managing risk.

### 2. Risk Management Policy Statement

Compton Martin Parish Council recognises that it has a responsibility to manage risks effectively in order to protect its members, employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its aims and objectives and to maximise the opportunities to achieve its vision. The Parish Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk. Risk management is an integral part of the Town Council's management processes.

Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working.

**Strategic Risk** – Long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the Town Council, loss of public confidence, in a worst-case scenario Government intervention.

**Compliance Risk** – Failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals and the inability to enforce contracts.

**Financial Risk** – Fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on Parish Council reserves.

**Operating Risk** – Failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.

**Health & Safety/Physical** – Those related to fire, safety, accident prevention and health & safety which pose a risk to both staff and the public; safeguarding and accounting of physical assets;

**Reputational** – Those associated with the changing needs of customers and the electorate; ensuring appropriate consultation; avoiding poor public and media relations.

### 3. Risk Register and Risk Monitoring

The Risk Register will be regularly refined and updated. The Risk Management Plan will be reviewed at least annually by the Clerk and then by Full Council.