



# Swallowcliffe Parish Council

## Risk management policy and Risk register

### Introduction

Swallowcliffe Parish Council is committed to managing risk in a structured, proportionate, and transparent way. Effective risk management supports good governance, safeguards public funds, protects assets, and ensures continuity of services. This policy sets out the Council's approach to identifying, assessing, managing, and reviewing risks across all areas of its activity.

A risk is an event or action that may adversely affect the Council's ability to achieve its objectives.

This document contains the register of recognised risks and the Council's policy for managing those risks. Risk management forms part of the evidence base for the Council's AGAR Annual Governance Statement.

The Risk Register records specific risks within these categories and the controls in place to manage them. However, risk cannot be eliminated. The Council therefore has insurance with Zurich Municipal to insure against many of the perils that could cause the risks identified in the Risk Register, as well as for liability of consequential loss.

### Management Policy

This policy is reviewed annually and approved by the Council.

#### Statutory and Governance Framework

The Council recognises its responsibilities under the Accounts and Audit Regulations 2015, which require relevant authorities to maintain a sound system of internal control and to carry out an annual review of the effectiveness of those controls. The Council also follows the principles set out in the Smaller Authorities Proper Practices Panel (SAPP) 'Practitioners Guide - Governance and accountability for smaller authorities in England'.

The Council's risk management arrangements operate within the following statutory and sector standard framework:

Accounts and Audit Regulations 2015 – duties relating to internal control, financial management, and annual review.

- Local Government Act 1972, Section 151 – requirement to ensure proper administration of financial affairs.
- SAPP Guide sections pertaining to Risk Management.

Transparency Code for Smaller Authorities – publication requirements supporting accountability.

### Scope

This policy applies to all areas of Council activity, categorized as follows:

Governance and decision making

Amenity and land.

Business continuity.

Financial management.

Governance and legal compliance.

Property & assets

## Process

The Council follows a seven-stage cycle:

1. Identify risks across all areas of activity.
2. Assess likelihood and impact.
3. Score using a risk rating matrix.
4. Mitigate through controls, procedures, or actions.
5. Record in the Risk Register.
6. Monitor throughout the year.
7. Review formally as part of the annual governance process.

This cycle ensures that risk management is embedded in day-to-day operations and decision making.

New risks are added as they arise, and existing risks are updated when controls change.

## Risk Management Framework

The Council applies a consistent and proportionate approach to risk management, based on the following principles.

### Ownership

Ownership ensures accountability for monitoring and mitigation; responsibility for risks is allocated as follows:

Clerk/RFO – operational, financial, and compliance risks.

Contractors – arising from contracted works and services (through clerk to oversee).

Full Council – strategic, governance, and reputational risks.

Named Councillor – where specific delegated responsibilities apply.

### Risk rating and scoring

To rate risks, each is assessed under the following two dimensions which are given a numeric score and multiplied together to give an overall risk rating.

		<b>Likelihood</b>		
		<i>Probability of the risk occurring</i>		
		Unlikely	Possible	Likely
<b>Impact</b> <i>Severity of consequences should the risk occur</i>	Low	1	2	3
	Medium	2	4	6
	High	3	6	9

Action is then taken as follows:

1–2 = Low Risk – monitor.

3–4 = Medium Risk – manage and review.

6–9 = High Risk – priority action and quarterly or more frequent review.

The 'Residual Risk' is what is left after applying mitigation.

## Risk Register

This register is reviewed annually by Full Council and the review is formally minuted.

### Governance & Legal Compliance

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Rating</b>	<b>Controls</b>	<b>Owner</b>	<b>Residual Risk</b>	<b>Review Frequency</b>
Delegation errors	1	2	2	Scheme of Delegation. Clerk trained. Decisions reported back.	Clerk	Low	Annual
External audit compliance failure	1	2	2	AGAR prepared and submitted on time. Public rights period advertised.	Clerk	Low	Annual
FOI non-compliance	1	2	2	FOI policy, statutory response times monitored.	Clerk	Low	Annual
GDPR breach	2	2	4	Data Protection Policy. Cloud backups. Password protocols.	Clerk	Medium	Annual
Internal audit failure	1	2	2	Independent internal auditor appointed annually. Scope agreed by Council.	Council	Low	Annual
Transparency Code breach	1	2	2	Agendas, minutes, policies, & audit documents published online.	Clerk	Low	Annual
Unlawful decision-making	1	3	3	Agenda published lawfully. Clerk advises on powers. Decisions minuted.	Clerk / Council	Low	Annual

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Rating</b>	<b>Controls</b>	<b>Owner</b>	<b>Residual Risk</b>	<b>Review Frequency</b>
Website accessibility failure	2	2	4	WCAG statement. Annual accessibility check.	Clerk	Low	Annual

### Financial Management

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Rating</b>	<b>Controls</b>	<b>Owner</b>	<b>Residual Risk</b>	<b>Review Frequency</b>
Bank reconciliation failure	1	2	2	Quarterly bank recs. Councillor verification (not chair). RFO oversight.	RFO	Low	Quarterly
Failure to comply with VAT regulations (incorrect VAT returns, missed deadlines, or unclaimed VAT refunds)	1	2	2	VAT returns prepared and submitted in accordance with HMRC deadlines. Regular reconciliation of VAT records with financial accounts. Staff/Clerk training on VAT rules and updates. Periodic review by internal auditor.	RFO	Low	Annual
Fraud / misappropriation	1	3	3	Insurance. Segregation of duties. Councillor checks.	Council	Low	Annual

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Rating</b>	<b>Controls</b>	<b>Owner</b>	<b>Residual Risk</b>	<b>Review Frequency</b>
Income controls	2	2	4	Receipts logged & banked promptly. Income monitored against budget.	RFO	Low	Quarterly
Insurance adequacy	1	3	3	Annual insurance review. Asset Register maintained, cover levels checked.	Council	Low	Annual
Loss of payroll data	1	2	2	PAYE Tools backed up. Councillor access to HMRC.	RFO	Low	Annual
Mismanagement of funds (covers: bookkeeping, purchase orders, purchase payments, bank reconciliation)	1	3	3	Budgeting, monthly reports. Dual authorisation. Bank rec checks.	RFO	Low	Quarterly
Payroll accuracy	1	2	2	PAYE Tools used. Payslips issued & stored. Councillor oversight.	RFO	Low	Annual
Unlawful expenditure	1	2	2	Payment by cheque only with two signatories. Powers recorded in minutes, updated Financial Regulations.	RFO	Low	Annual

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Rating</b>	<b>Controls</b>	<b>Owner</b>	<b>Residual Risk</b>	<b>Review Frequency</b>
Year-end accounts accuracy	1	3	3	Accounts prepared to audit standard & reviewed by Council.  Internal audit.	RFO	Low	Annual

### Business Continuity

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Rating</b>	<b>Controls</b>	<b>Owner</b>	<b>Residual Risk</b>	<b>Review Frequency</b>
Clerk absence (illness/resignation)	1	3	3	Documented procedures.	Council	Medium	Annual
Cyber-attack or data breach resulting in loss or compromise of council data.	1	3	3	Use of strong, regularly updated passwords and two-factor authentication where available.  Regular software and security updates on all devices.  Cloud-based and encrypted backups.  Staff awareness training on phishing and cyber threats.  Incident response plan in place.	Clerk	Medium	Annual
Fire/flood	1	3	3	Insurance.  Cloud backups.	Council	Low	Annual
Loss of electronic documents	1	3	3	Cloud backups.  Dedicated laptop.	Clerk	Medium	Annual

Loss of paper records	1	2	2	Retention policy. Archive storage. Secure disposal.	Clerk	Low	Annual
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#### Amenity & Land Risks

Risk	Likelihood	Impact	Rating	Controls	Owner	Residual Risk	Review Frequency
Vandalism	2	2	4	Insurance. Inspections.	Council	Low	Quarterly

#### Property & Assets

Risk	Likelihood	Impact	Rating	Controls	Owner	Residual Risk	Review Frequency
Asset Register accuracy	1	2	2	Annual review. Additions and disposals recorded. Linked to insurance.	Clerk	Low	Annual
Defibrillator failure	1	3	3	Monthly inspections. Alarmed cabinet. Insurance.	Clerk	Low	Monthly
Emergency generator failure	1	3	3	Monthly warm-up runs and maintenance schedule followed	Clerk	Medium	Quarterly
Noticeboards	1	2	2	Monthly inspections. Insurance.	Clerk	Low	Annual
Signposts	1	2	2	Monthly inspections. Insurance.	Clerk	Low	Annual

## Review

Policy version

Review date:

Approved by:

Date adopted:

DRAFT