TATHAM PARISH COUNCIL

RISK MANAGEMENT POLICY & RISK REGISTER

Last Reviewed – March 2026

What is Risk Management?
Risk is a threat that an event or action will adversely affect the council's ability to achieve its objectives, responsibilities or provide its services. Risk management is the process by which risks are identified, evaluated, addressed and reviewed. The council recognises that it has a responsibility to take all reasonable and practical measures to safeguard its employees, the people it works with and provides services for; and to protect the natural and built environments for which it is responsible.

The council is aware that some risks cannot be completely eliminated and has put in place a policy that provides a structured, systematic and focused approach to managing risk and including where necessary, the introduction of internal controls and/or appropriate use of insurance cover.

Objectives
The objectives of the risk management policy are to:

- Integrate risk management into the culture of the council
- Manage risk in accordance with best practice and legislative requirements
- Minimise loss, disruption, injury and damages
- Inform policy and operational decisions by identifying risks and their likely impact

These objectives will be achieved by:

- Identification of risk
- Undertaking risk assessments
- Managing the risk and recording actions
- Incorporating risk management considerations into council processes
- Providing appropriate training
- Establishing clear roles, responsibilities and reporting lines

Risk Register
The risk register enables the parish council to assess the risks that it faces and confirm that it has taken appropriate steps to manage those risks.

The council has broken the risks into two key areas:

1. Finance
2. Governance & Management

The risks are identified, described and assessed according to, firstly, how likely (i.e. likelihood) using a scale of 1 to 5 the risk is to occur and then, secondly, the potential consequences (using a scale of 1 to 5) if the risk did occur (i.e. impact). This process enables the risk to be scored and evaluated (using the risk matrix below) as either high, medium or low risk.

	Likelihood					
High	5	5	10	15	20	25
↑	4	4	8	12	16	20
	3	3	6	9	12	15
↓	2	2	4	6	8	10
Low	1	1	2	3	4	5
		1	2	3	4	5

Impact

Low ⟷ High

Risk Assessment
High
Medium
Low

The response to risk may involve one or more of the following responses:

- **Tolerate the risk** – for the risks where the consequences are containable with appropriate contingency plans or if the controls cannot be justified (i.e. they would be disproportionate)
- **Treat the risk** – by imposing controls so that the parish council can continue to operate.
- **Transfer the risk** – by buying a service from a specialist external body or taking out insurance.
- **Terminate** the activity giving rise to the risk which involve intolerable tasks or those where no control can reduce the risk to a tolerable level.

The risks are identified, assessed and recorded on the following risk register and will be reviewed by the council on an annual basis (typically in March).

Risk Register

Risk Number	Topic	Risk	Risk Assessment (Likelihood X Impact)	Risk Management/ Control Measures
		Finance		
1	Precept	Precept request not submitted	1 X 5 = 5 Low	• Precept agreed in January at full council • Precept request submitted, by the Clerk, immediately after the January meeting
2	Precept	Precept not paid by City Council	1 X 5 = 5 Low	• Clerk to verify & confirm Precept payment at May full council
3	Precept	Adequacy of Precept	1 X 5 = 5 Low	• Level of Precept agreed in January at full council
4	Reserves	Insufficient to cover planned expenditure	1 X 5 = 5 Low	• Current financial position reviewed and approved at each full council meeting
5	Reserves	Insufficient to cover unplanned expenditure	1 X 5 = 5 Low	• Current financial position reviewed and approved at each full council meeting
6	Best Value for	Fail to obtain best value	1 X 3 = 3	• All contracts for the new financial

Risk Number	Topic	Risk	Risk Assessment (Likelihood X Impact)	Risk Management/ Control Measures
	Money	third party services and/or contracts (e.g. Lengthsman)	Low	year are reviewed and approved at the January full council
7	Salaries	Incorrect salary paid to Clerk/RFO	1 X 3 = 3 Low	• Clerk salary approved at every full council meeting prior to payment. • One councillor to act as RFO if there is a Clerk Vacancy, in an unpaid capacity.
8	Salaries	Failure to meet necessary PAYE requirements	1 X 5 = 5 Low	• Clerk/RFO submits all salary payments monthly direct to HMRC. • One councillor will act as RFO if there is a Clerk Vacancy and ensure null returns are completed. • All PAYE (i.e. income tax and NI) are paid at the end of the financial year
9	VAT	VAT payments incorrectly recorded	1 X 3 = 3 Low	• All payments are recorded in the council's online (Scribe) accounting package • All payments are split to show the proportion of VAT paid
10	VAT	VAT refund claimed not submitted	1 X 3 = 3 Low	• Clerk/RFO to verify (at the May or July full council) that the VAT Refund Claim for the previous financial year has been submitted. • One councillor will act as RFO if there is a Clerk Vacancy and ensure the VAT Refund claim is submitted.
11	VAT	VAT refund not paid by HMRC	1 X 1 = 1 Low	• Clerk to confirm receipt of VAT refund at the July or September full council
12	Bank	Incorrect recording of receipts and payments	1 X 5 = 5 Low	• Bank reconciliation to be reviewed and approved at each full council
13	Bank	Lack of timely bank statements	1 X 3 = 3 Low	• Council has moved to online banking resulting in less reliance on hard copy statements
14	Fraud	Councillors and/or the Clerk/RFO commits fraud	1 X 5 = 5 Low	• All payments to be authorised at full council • All payments to require 2 member signatures. If one councillor is acting as RFO, due to a Clerk Vacancy, 2 different councillors must approve payments. • Bank reconciliations to be reviewed and approved at each full council

Risk Number	Topic	Risk	Risk Assessment (Likelihood X Impact)	Risk Management/ Control Measures
				• Cllr Taylor to complete regular Financial reviews (via access to Scribe Accounts and Unity Bank) • Appropriate Insurance cover
Governance and Management				
15	Financial Management	Failure to set an appropriate budget	1 X 5 = 5 Low	• Budget agreed in January at full council
16	Financial Management	Failure to set and request an appropriate Precept	1 X 5 = 5 Low	• Precept based on agreed budget in January at full council
17	Financial Management	Failure to keep proper accounting records	1 X 5 = 5 Low	• All receipts and payments are recorded in the council's online (Scribe) accounting package
18	Financial Management	Failure to regularly reconcile the accounting records with the bank statements	1 X 5 = 5 Low	• Bank reconciliations to be reviewed and approved at each full council
19	Financial Management	Insufficient councillors available to authorise online bank payments (3 as a minimum)	1 X 5 = 5 Low	• Retiring Councillors to retain access until their successors have their access set up and working, so ensuring at least 4 councillors have the required access at all times
20	Internal Controls	Failure to maintain adequate and up-to-date Standing Orders	1 X 5 = 5 Low	• Review of Standing Orders are a standing agenda item every year. • Approval and review date of the Standing Orders are recorded in the full council minutes • Approval and review date of the Standing Orders are recorded in the current published document
21	Internal Controls	Failure to maintain adequate and up-to-date Financial Regulations	1 X 5 = 5 Low	• Review of Financial Regulations are a standing agenda item every year • Approval and review date of the Financial Regulations are recorded in the full council minutes • Approval and review date of the Financial Regulations are recorded in the current published document
22	Internal Controls	Failure to properly record, maintain and manage the council's assets	1 X 5 = 5 Low	• Review of the Asset Register is undertaken, annually, at the March full council
23	Internal Controls	Failure to review, on an annual basis, the effectiveness of the system of internal controls	1 X 5 = 5 Low	• Review of the Effectiveness of the System of Internal Controls is undertaken, annually, at the March or May full council
24	Compliance with the law	The council takes action that is outside its legal	1 X 5 = 5 Low	• The council and/or the Clerk check,

Risk Number	Topic	Risk	Risk Assessment (Likelihood X Impact)	Risk Management/ Control Measures
	and proper practices	powers		before taking any major decision or action, that it is acting within the law
25	Exercise of public rights	The council fails to comply with and/or publish all the necessary requirements associated with the Annual Governance and Accounting Return (AGAR)	1 X 5 = 5 Low	• The AGAR is reviewed and approved, each year, at the May full council • The Clerk/RFO publishes all the documents on the council website in May or June each year.
26	Risk Management	Failure to identify and manage the risks faced by the council	1 X 5 = 5 Low	• The Risk Management Policy and Register is reviewed and approved each year at the March or May full council
27	Internal Audit	Failure to undertake an effective internal audit each year	1 X 5 = 5 Low	• The Internal Auditor is appointed and instructed, each year, at the March or May full council
28	Internal Audit	Failure to adequately respond to all the issues highlighted in the internal audit	1 X 5 = 5 Low	• The Internal Audit report is reviewed and responded to, each year, at the May or July full council