Coddenham Parish Council

**RISK MANAGEMENT STRATEGY 2025**

**INTRODUCTION**

This document forms the Council’s Risk Management Strategy. The objectives of the strategy are to:

* Ensure the appropriate management of risks by the Council in accordance with best practice.
* Set expectations of the Clerk and councillors to monitor risks to the Council and mitigate their impact.
* Anticipate and respond to changing social, environmental, and legislative requirements

**POLICY STATEMENT**

Risk management is the process used by the Parish Council to address risks associated with an event or action which will adversely affect its ability to achieve its objectives to deliver high quality public services, in accordance with the law. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets and ultimately, to the local community’s council tax bills.

By their very nature, risks are situations that may occur and therefore cannot be eliminated. However the Council needs to understand what risks it has and what might be done to reduce their impact and/or avoid them becoming an issue that requires immediate action/remediation. To this end it needs to have a strategy in place that provides a structured, systematic and focussed approach to managing risk.

**IMPLEMENTING THE RISK MANAGEMENT STRATEGY**

Risk Control – is the process of identifying risks and then determining actions to minimise the likelihood of the risk becoming an issue and/or reducing the severity of the consequences should it become so.

 Methods used will include:

* Elimination – circumstances from which a risk arises are removed so the risk no longer exists
* Reduction – control measures are implemented to reduce the impact/likelihood of the risk
* Transfer – the financial impact is passed to others
* Sharing – the risk is shared with another party
* Insuring – insure against some or all the risk to mitigate financial impact
* Acceptance – documenting a conscious decision after assessment of areas where Council accepts or tolerates risk

Risk Monitoring – the Council’s risks, as set-out in the following documents) must be monitored and reviewed on a regular basis (at least annually) to ensure that any changes to their nature has been considered and the risk control procedures adapted accordingly.

* Risk Management Redister
* Risk Assessment and Management (Financial)

Risk Management System – is the process by which risk is managed:

* Risk Identification – informed decisions can only be taken by the Council if it has identified and understood the risks inherent in the policies and decisions it has undertaken. Risks will be identified in the Annual Risk Assessment carried out in February/March of each year and when there is any major change or instigation of a substantive project.
* Risk Analysis – once risks are identified, analysis should be undertaken as to the potential of the nature of the risk, its potential consequences, what mitigations should be put in place and who these should be owned by.
* Risk Prioritisation – an assessment should be made of the impact and likelihood of risks occurring, both of which should be determined as low, medium or high. The Council will take immediate steps to address all risks that have a likelihood determined as ‘high’ and which have a ‘high’ or ‘medium’ impact. If the likelihood and/or impact cannot be reduced at the very least this will lead to specific monitoring by the Clerk and at each meeting of the Council, until the risk is reduced.

**ROLES AND RESPONSIBILITES**

Risk management is seen as a key part of the Council’s role which will include:

* Establishing clear roles, responsibilities and reporting lines within the Council for risk management
* Providing opportunities for shared learning on risk management across the Council
* Providing risk management training and awareness sessions
* Incorporating risk management considerations into the Council’s management processes
* Effective communication with, and the active involvement of, the Clerk.
* Monitoring arrangements on an on-going basis
* Ensure that Internal Audit provides a scrutiny role to provide independent assurance to the Council that the necessary risk management systems are in place and all significant risks are being managed effectively
* Ensure that feedback from Internal and External Audit is fed into the Council’s risk management strategy
* Ensure that the Risk Management Strategy Policy and the Insurance Schedule are reviewed annually.

**MONITORING**

* Risk Management Strategy – reviewed and adopted by the Parish Council annually. **Next review due March 2026.**
* Annual Insurance Review – reviewed by the Parish Council annually. **Next review due August 2025.**
* Risk Assessment and Management (Financial) – reviewed by the Parish Council annually. **Next review due March 2026.**
* Internal Control Statement – reviewed by the Council annually. **Next review due March 2025.**
* Risk Management Register – reviewed and adopted by the Parish Council annually. **Next review due March 2026.**