

RISK MANAGEMENT POLICY

Adopted: 10.04.2026

Date of next review: 10.04.2027

Willoughton Parish Council has a duty to identify and manage risks, both internal and external. It is committed to good risk management. A risk is anything that can threaten or impact upon the assets, operation or reputation of the Parish Council.

Risk Management is the planned and systematic approach to the identification, analysis and economic control of all risks. This policy is part of the Parish Council's internal control and governance arrangements.

The Council is aware that some risks cannot be eliminated fully and has in place a strategy to manage risk and including where necessary, the introduction of internal controls and/or appropriate use of insurance cover.

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.

Objectives:

- 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.
- Raise awareness of the need for risk management.

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.
- Effective communication with, and active involvement of, employees.

The adopted risk management methodology uses a traffic light colour against each risk item to confirm its current status.

The colour coding is defined as follows:

- This identified risk is being effectively managed with adequate reviews, processes and/or documentation as appropriate.
- This identified risk is being managed. However, there are aspects of risk management, which ought to be improved to achieve a green status. It is recognised that sometimes improvements may be difficult to achieve and remedial work may take time (e.g. a need for Councillor training).
- This identified risk, which has a serious potential impact upon the Council is not under adequate management. This represents a key risk, which will be highlighted to meetings of the Council until such time that it is adequately managed or mitigated. Certain key risks with a low probability may be entirely beyond the management control capability of the Council. Such risks may retain a red status upon the agreement of Council.

Aim	Risk	Method used to Minimise Risk	Person(s) Responsible	Status ● ● ●
<p>1. To ensure compliance with Acts of Parliament, other legislation, the Council’s Standing Orders, Financial Regulations and Code of Conduct.</p>	<p>a. Lack of knowledge of and adherence to regulations and codes.</p>	<p>Ensure that all Councillors have copies of or access to relevant information through LALC, copies of the adopted Code of Conduct, Financial Regulations and Standing Orders and a copy of the latest edition of the Good Councillors Guide. Highlight essential parts and provide specific training where possible.</p>	<p>All councillors Clerk/RFO LALC</p>	<p>●</p>
	<p>b. Absence of Standing Orders.</p>	<p>Ensure that Standing Orders are produced, understood by councillors, and reviewed at least once per year.</p>	<p>Chair Clerk/RFO</p>	<p>●</p>
	<p>c. Actions by the Council outside its powers as set out by Parliament.</p>	<p>As at 1a above, but ensure that, as necessary, powers are highlighted or extracted into an effective summary.</p>	<p>Chair Clerk/RFO</p>	<p>●</p>
	<p>d. Items purchased without proper tendering procedures, resulting in accusations of commercial favouritism.</p>	<p>Ensure that all councillors are aware of regulations regarding estimates and full tender procedures. Introduce practice of estimates for all purchases over an agreed figure.</p>	<p>Chair Clerk/RFO</p>	<p>●</p>
	<p>e. Payments made without prior approval and adequate control.</p>	<p>Ensure all payments are approved in accordance with the Financial Regulations and properly recorded. Keep cash payments to a minimum and avoid if possible.</p>	<p>Clerk/RFO</p>	<p>●</p>
	<p>f. Lack of control of signatories to cheques.</p>	<p>Keep authorised signatories to a minimum but consistent with practicalities.</p>	<p>Clerk/RFO</p>	<p>●</p>
	<p>g. VAT not properly accounted for, resulting in over-claims and large demands from HMRC.</p>	<p>Ensure appropriate publications held and that Clerk/RFO has a good knowledge of regulations.</p>	<p>Clerk/RFO</p>	<p>●</p>

<p>2. To identify and regularly review the Council's priorities and risks.</p>	<p>a. Lack of knowledge of setting objectives, setting priorities, and identifying risks to their achievement.</p> <p>b. Lack of commitment by council members</p> <p>c. No risk analysis carried out.</p> <p>d. No steps taken to combat identified risks.</p> <p>e. An inadequate complement of councillors to manage the business of the council.</p>	<p>All councillors to be made aware of need for objectives and identification of risk. Attend training sessions and refresher training.</p> <p>Add risk assessment to agenda yearly, reviewing particular items, and results against those items.</p> <p>As at 2a above. Ensure that completion of the risk assessment is given high priority, as a requirement of the Audit Commission</p> <p>As at 2b above.</p> <p>All councillors to strive to work in a constructive manner in accordance with the Code of Conduct and to welcome and encourage new councillors. All councillors to cooperate to share the workload.</p>	<p>All Councillors Clerk/RFO</p> <p>Chair Clerk/RFO</p> <p>All Councillors Clerk/RFO</p> <p>All Councillors Clerk/RFO</p> <p>All Councillors Clerk/RFO WLDC</p>	<p>●</p> <p>●</p> <p>●</p> <p>●</p> <p>●</p>
<p>3. Communication with Lincolnshire County Council, West Lindsey District Council and other Government organisations and to recognise the requirements and interests of the local population.</p>	<p>a. Lack of effective lines of communication with other organisations.</p> <p>b. Lack of effective lines of communication with parishioners.</p> <p>c. Lack of preparation on subjects requiring influence.</p> <p>d. Lack of confidence by Parish Councillors.</p>	<p>Note all communication lines which are essential or beneficial and establish/maintain contacts by name and where possible face-to-face</p> <p>Take every opportunity to publicise role of Parish Council using notice boards, "flyers" and the Annual Parish Meeting. Use key issues to raise the profile of the Council and to test parishioners' views.</p> <p>Ensure all councillors are aware of need for careful research and are guided as to where to obtain relevant information.</p> <p>Experienced councillors and Clerk to assist newcomers to understand roles and responsibilities, to establish essential contacts and to gain procedural awareness.</p>	<p>Chair Clerk/RFO</p> <p>All Councillors Clerk/RFO</p> <p>Chair Clerk/RFO</p> <p>All Councillors Clerk/RFO</p>	<p>●</p> <p>●</p> <p>●</p> <p>●</p>
<p>4. To ensure that all councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all likely risks.</p>	<p>a. Lack of knowledge of possible culpability of councillors.</p> <p>b. Lack of education of Councillors regarding culpability.</p> <p>c. Inadequate insurance cover taken out for property, personal liability, employer's liability.</p>	<p>Creation of Standing Orders and Code of Conduct and familiarisation with those matters where greatest risk occurs.</p> <p>Experienced councillors and Clerk to assist newcomers to understand culpability. To attend training courses and refresher training as available</p> <p>Review risk assessment by including on agenda yearly.</p>	<p>Chair Clerk/RFO</p> <p>All Councillors Clerk/RFO Chair</p> <p>Clerk/RFO</p>	<p>●</p> <p>●</p> <p>●</p>

	d. Councillors fail to declare interests and participate in inappropriate decision making, which has a material impact upon the decisions taken and the public perception of the Council.	All councillors to be reminded to abide by the Code of Conduct and the register of interests and to be alert to potential breaches of both. As far as is possible, the Clerk to ensure the register of interests are complete and up to date.	All Councillors Clerk/RFO WLDC	●
5. To keep appropriate books of account accurately and up to date throughout the financial year. To maintain secure banking facilities.	a. Lack of knowledge of accounting requirements	Ensure all councillors are familiar with current Financial Regulations. Regularly review Standing Orders and Financial Regulations. Ensure all Councillors are aware of the lack of cover under the Financial Services Compensation Scheme.	All Councillors Clerk/RFO	●
	b. Lack of commitment to accounting requirements.	As at 5a above. RFO to produce financial reports at all Council meetings. Internal audit reports to be made available to all councillors and any recommendations to be acted upon promptly.	All Councillors Clerk/RFO Internal Auditor	●
	c. Bank charges unnecessarily incurred	RFO to carry out regular inspection of books of account. Internal audit to be undertaken yearly.	Clerk/RFO Internal Auditor	●
	d. Inaccuracies in recording amounts and totals in books of account.	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated.	Clerk/RFO Internal Auditor	●
	e. Bank reconciliations not carried out.	Regular internal audits to advise on internal controls required.	Clerk/RFO	●
	f. Inaccuracies and interest losses caused by account transfers.	Keep number of accounts to a minimum but ensure that any large credit balances are deposited in an interest-bearing account.	All Councillors Clerk/RFO Internal Auditor	●
	g. To ensure that the banking facilities of the Council are secure and offer value for money.	Using information available in the public domain, the RFO to periodically review the Councils banking arrangements in respect of achieving both value for money and security but noting that changing accounts may itself incur some risks.	All Councillors Clerk/RFO	●
	h. Inadequate control of cash receipts and payments.	Avoid cash payments and receipts if possible. Where cash receipts are unavoidable to record each receipt into a cash book and to issue the payee with a paper receipt. Cash payments, if unavoidable, shall be claimed as expenses by Officers and Councillors with receipts being presented as evidence.	Clerk/RFO Internal auditor	●
	i. Books of account not kept up to date/ invoices not posted promptly.	Regular checks by RFO and internal auditor. Financial reports at all Council meetings.	Clerk/RFO Internal auditor	●

	j. Internal controls not in place or not operated.	As at 5h above.		
	k. Payments missed or delayed	As at 5h above.		
6. To ensure that payments made from Council funds and the use of assets, represent value for money, are adequately managed, and comply generally with the wishes of the residents.	a. Lack of knowledge of wishes of residents.	As at 3b above. Ensure residents and other stakeholders (i.e. local organisations) are consulted on major financial issues, which impact upon them.	All Councillors Clerk/RFO	●
	b. Use of funds not giving value for money.	Effective budget planning processes and appropriate tendering. Creation of a rolling plan for projects and maintenance expenditure.	All Councillors Clerk/RFO	●
	c. Use of funds not in accordance with the wishes of the residents.	As at 2a above. As at 6a above.	All Councillors Clerk/RFO	●
	d. Fund raising not properly controlled or not in accordance with regulations.	All councillors to be aware of need to check regulations before commencing fund-raising activities. Effective financial management by Clerk/RFO.	All Councillors Clerk/RFO	●
7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.	a. Lack of knowledge of budgetary process, and of Council regulations.	Ensure regulations are issued to all councillors. Place item on agenda early in year to remind councillors of budget process and actions required. Encourage councillor training. Delegate responsibility for managing the initial budgetary process to the Clerk/RFO.	All Councillors Clerk/RFO	●
	b. Lack of commitment to budgetary process.	As at 7a above. Involve all councillors in budgetary process, not solely the Clerk/RFO.	All Councillors	●
	c. Inadequate consideration of requirements for annual precept.	Start budget build in November, well ahead of submission date. Checks by Clerk/RFO and Internal Auditor.	All Councillors Clerk/RFO	●
	d. Calculation not in accordance with Council regulations.	Checks by Clerk/RFO and Internal Auditor.	Clerk/RFO Internal auditor	●
	e. Inadequate internal controls regarding monitoring expenditure.	Financial and budget progress reports to all Council meetings.	All Councillors Clerk/RFO Internal auditor	●
	f. Reserves too low or too high	General reserve (not earmarked) to be at least 25% of annual income or as otherwise advised by the RFO / Internal auditor. General reserve (not earmarked) not to exceed 75% of annual income or as otherwise advised by the RFO / Internal auditor.	All Councillors Clerk/RFO	●
8. To explore all possible sources of income and ensure	a. Lack of knowledge of possible sources of income e.g. grants.	Encourage training and conference attendance to gain experience of all grants available and application procedures.	Chair Clerk/RFO	●

that expected income is fully received.	b. Lack of commitment to pursue possible sources of income.	As at 8a above.	All Councillors Clerk/RFO	●
	c. Receipts not banked or not banked promptly.	Regular checks by Clerk/RFO and Council. Internal audit checks.	Clerk/RFO Internal auditor	●
	d. Debts not pursued promptly.	As at 8c above. Ensure Clerk/RFO has appropriate and up-to-date VAT official publications.	Clerk/RFO	●
	e. VAT claims not made promptly/ incorrect.	Regular checks by Clerk/RFO. Internal audit checks.	Clerk/RFO	●
9. To ensure that salaries paid to employees and amounts paid to contractors are paid in line with Council regulations and budget and statutory legislation. Ensure payments are adequately monitored.	a. Inappropriate rate of pay to employees.	Ensure employee regulations are available and understood by Clerk/RFO. Checks by RFO. Internal audit checks.	Clerk/RFO Internal auditor	●
	b. Tax and NI arrangements not in accordance with regulations.	As at 1 above.	Clerk/RFO Internal auditor	●
	c. Amounts paid to contractors not in accordance with contract and inadequately monitored.	Checks by Clerk/RFO and internal audit.	Clerk/RFO Internal auditor	●
10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	a. Lack of knowledge of Council regulations and procedures.	Compliance with Financial Regulations and Standing Orders. Attend training seminars where available.	All Councillors Clerk/RFO	●
	b. Late or non- submission of annual accounts.	Compliance with the instructions of the External auditor. Clerk/RFO to monitor progress against timetable and report to Council meetings.	All Councillors Clerk/RFO Internal auditor	●
	c. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements.	Checks by RFO. Internal audit checks.	All Councillors Clerk/RFO Internal auditor	●
	d. Inadequate audit trail from records to final accounts.	As at 10c above.	All Councillors Clerk/RFO Internal auditor	●
11. To identify, value, and maintain all the assets of the Parish Council, and ensure that asset and investment registers are complete, accurate and properly maintained.	a. Lack of knowledge of assets of Parish Council.	Ascertain and record all significant assets for which Parish council is responsible. Create and maintain a permanent asset register.	Clerk/RFO	●
	b. Assets lost or misappropriated.	Establish who is responsible for security/maintenance of assets. Regular monitoring of location and use of assets by Clerk/RFO.	Clerk/RFO All Councillors	●

	c. Inadequate or inaccurate valuation of the council's assets.	Arrange for periodic review of valuations and arrange for professional valuation where necessary. Internal audit checks. <i>[Note that the Annual Return now requires original asset values not current values.]</i>	Clerk/RFO	●
	d. Asset register not established or inadequately maintained.	Create asset register in accordance with Audit Commission requirements.	All Councillors Clerk/RFO	●
12. To carry out adequate safety checks on the public open space and street furniture owned by the Council.	a. The lack of or an inadequate programme of maintenance allows the persistence of safety hazards (e.g. trip hazards, dangerous trees, faulty gates, faulty seats, faulty bins etc).	Regular checks by the Officers and Councillors. Prompt attention to hazards/problems once identified. Prompt attention to issues raised by all users. Engagement of suitable contractors to conduct ongoing maintenance works (including the periodic professional checking of trees).	All Councillors Clerk/RFO Contractors Public users	●
13. To carry out adequate safety checks on the children's play areas operated by the Council.	a. An inadequate programme of safety inspections and maintenance (or vandalism) results in an accident and/or an award of damages.	Weekly safety inspections by staff/Councillors backed up by an annual inspection by an accredited playground inspector. Prompt attention to hazards/problems once identified. Ongoing maintenance. Professional specification and installation of equipment. An ongoing programme of equipment replacement as necessary.	All Councillors Clerk/RFO	●
	b. The lack of or an inadequate programme of maintenance of the immediate surrounding area allows the persistence of a safety hazard (e.g. trip hazard, sharp object, faulty gate).	Regular checks by Officers and Councillors. Prompt attention to hazards/problems once identified. Prompt attention to issues raised by all users. Engagement of suitable contractors to conduct ongoing maintenance works.	All Councillors Clerk/RFO Contractors Public users	●
14. Compliance with appropriate Government legislation regarding disability, racial equality, safeguarding children etc.	a. Lack of knowledge of applicable legislations.	Ensure Clerk has all current legislation available. Adequate policies in place, reviewed as scheduled by Council.	All Councillors Clerk/RFO	●
	b. Lack of public awareness of applicable legislation.	Review liabilities and responsibilities periodically at Council meetings. Councillors and staff to be aware of and follow such policies.	All Councillors Clerk/RFO	●
15. Mitigate sudden loss of key personnel.	a. Council unable to continue operating and carrying out day-to-day business. Loss of services to Parishioners and the public. Health and safety risk to the public.	Ensure that all systems, processes and job descriptions are recorded and kept up to date. Ensure recruitment process is in place to ensure replacement of staff. Business Continuity Plan to be in place and made available to all staff and Councillors. All digital files to be backed up. Chair of the Council to understand procedure for sourcing a Locum Clerk.	Chair Clerk/RFO	●
16. Events safety.	a. Failure to provide safe events for members of the public.	Risk assessments carried out for each event. Insurance in place. Licences and permissions obtained. Training for Councillors and staff.	All Councillors Clerk/RFO	●
17. Compliance with GDPR regulations.	a. Non-compliance penalties from the Information Commissioner's Office.	Have a Data Protection Policy in place and review regularly.	All Councillors Clerk/RFO	●
	b. Reputation damage and the loss of public confidence.	Compliance to data protection regulations. All staff and Councillors trained.	All Councillors Clerk/RFO	●