

1. RISK MANAGEMENT

Risk Management is a systematic approach to minimising the Council’s exposure to risk. Policies, procedures, and practices work together to identify, analyse, evaluate, address, and monitor risks. The Council uses this information, alongside other considerations, to make informed decisions. Strategies include transferring risk (e.g., insurance), mitigating impact, or avoiding risk altogether.

2. IMPACT AND PROBABILITY

- **Probability:** Likelihood of occurrence (High (H), Medium (M), Low (L)).
- **Impact:** Consequences for cost, compliance, safety, or service delivery (also H, M, L).

3. RISK REGISTER

Assets

Identified Risk	Potential Consequence	Impact Probability Controls to Manage Risk		
Maintain an up-to-date asset register	Assets not accurately recorded; risk to financial control	H	L	Full asset register maintained and reviewed
Loss or damage to assets	Replacement costs; service disruption	M	L	Insurance with Zurich
Legal liability from ownership	Injury or damage claims	M	L	Public liability insurance

Meeting room unavailable	Meetings may not proceed	H	L	Advance booking, alternative dates, Bowling Green backup venue
Room inaccessible	As above	H	L	Alternative venues; virtual meetings where legal
Theft or dishonesty (cash)	Financial loss; reputational damage	M	L	Internal controls: reconciliations, monthly reporting, Councillor oversight, internal audit
Loss of records	Disruption; reputational damage	M	M	Backups to secure Google Drive, password protection, website uploads

### Internal Control

Identified Risk	Potential Consequence	Impact	Probability	Controls to Manage Risk
Lack of quorum	Inability to meet	M	L	6 Councillors; attendance monitored; quorum always confirmed
Clerk unavailable	Disruption to operations	M	L	Chair notified in advance; Vice Chair covers
Delayed financial procedures	Missed payments	M	M	Policies in place; Clerk training via ChALC

### Finance

Identified Risk	Potential Consequence	Impact	Probability	Controls to Manage Risk
Late annual return	Breach of deadlines	M	L	Strong accounting processes
Insufficient funds	Unable to meet objectives	M	L	Budgeting, monitoring, reserves maintained
Inadequate reserves	Financial risk	L	L	Monthly budget reviews
Mismanagement of funds	Loss of interest/charges	L	L	Controls and reviews
Expenditure outside powers	Legal/public challenge	M	L	Monthly reporting, audits, Clerk guidance

VAT not reclaimed	Financial loss	L	L	Separate VAT recording
Incorrect Clerk pay	Payment errors	L	L	Payroll provider; Councillors check payments
Overpaid expenses	Financial error	L	L	Claim forms; minuted approvals
Ring-fenced reserves	Insufficient cover	L	L	Reviewed in budgeting

### **Compliance with Legislation**

Identified Risk	Potential Consequence	Impact	Probability	Controls to Manage Risk
Budget not set	Service/financial issues	L	L	Annual cycle and monitoring
Employment law breach	Legal action	H	L	Standing Orders; HR processes
Exceeding powers	Audit/public scrutiny	L	L	Clerk checks; Standing Orders
Unfair contract award	Audit investigation	M	L	Financial regs; annual review
Risk assessment not done	Unknown risks	M	M	Reviewed annually
Unlawful meetings	Decisions challenged	L	L	Notice, agendas, quorum checks
Health & safety breach	Non-compliance	M	M	Documented procedures

### **Council Governance**

Identified Risk	Potential Consequence	Impact	Probability	Controls to Manage Risk
Inaccurate minutes or agendas	Non-compliance	L	L	Review and approval at meetings
Member conflicts of interest	Decision-making risk	M	L	Register updated; publicly available

Lack of member training	Poor decisions	M	M	Ongoing training reviewed
Breach of Code of Conduct	Reputational/legal risk	H	L	Code issued and followed; Clerk guidance

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**Reviewed and approved by Cholmondeley-Chorley Parish Council on 14/05/2024**

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