Risk Management Policy
Lytchett Matravers Parish Council

1. Introduction

Lytchett Matravers Parish Council recognises that it has a responsibility to identify, manage, and mitigate risks that may affect its ability to deliver services, protect public funds, safeguard assets, and meet its statutory obligations. This Risk Management Policy sets out the Council's approach to risk management and links directly to the Council's Risk Register.

Effective risk management supports good governance, sound financial management, and compliance with the Accounts and Audit Regulations and the Annual Governance and Accountability Return (AGAR).

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2. Definition of Risk

Risk is defined as the possibility that an event or action could adversely affect the Council's ability to achieve its objectives, comply with legal duties, protect assets, or maintain services. Risks may be financial, operational, legal, reputational, environmental, or strategic.

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3. Objectives of Risk Management

The objectives of this policy are to:

- Identify and assess risks that could impact the Council
- Minimise the likelihood and impact of identified risks
- Ensure appropriate controls are in place and operating effectively
- Provide assurance to members, auditors, and the public
- Support informed decision-making

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4. Risk Management Approach

The Council adopts a structured approach to risk management by:

- Identifying risks across all Council activities
- Recording risks in a central Risk Register
- Assessing risks using likelihood and impact scoring
- Implementing proportionate control measures
- Regularly reviewing and updating risks

The Risk Register is the primary working document supporting this policy.

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5. The Risk Register

The Risk Register:

- Records all significant risks identified by the Council
- Assigns responsibility for managing each risk
- Records existing control measures
- Assesses risk using likelihood and impact scores
- Identifies further actions required, where necessary

The Risk Register is reviewed at least annually and whenever:

- New activities, projects, or services are introduced
- Significant changes occur (e.g. staffing, finance, legislation)
- A serious incident or near miss is identified

The Risk Register is approved by Full Council and forms part of the Council's internal control framework.

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6. Roles and Responsibilities

Full Council

- Has overall responsibility for risk management
- Approves this Risk Management Policy and the Risk Register
- Reviews the Risk Register at least annually

Committees

- Identify and manage risks within their areas of responsibility
- Report significant risks to Full Council

Clerk to the Council

- Maintains the Risk Register
- Ensures risks are reviewed and updated
- Advises the Council on risk management matters

Responsible Financial Officer (RFO)

- Ensures financial risks are identified and controlled
- Links risk management to financial controls and budgeting

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7. Risk Identification

Risks may be identified through:

- Council and committee meetings
- Financial monitoring and internal control reviews
- Internal and external audit reports
- Health & safety inspections
- Complaints, incidents, or near misses

All identified risks must be recorded in the Risk Register.

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8. Risk Assessment

Each risk is assessed using:

- **Likelihood**: the probability of the risk occurring
- **Impact**: the potential severity if the risk occurs

Risk scores help prioritise actions and determine whether further controls are required.

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9. Risk Control and Mitigation

The Council will manage risks by:

- Avoiding the risk where appropriate
- Reducing the risk through controls and procedures
- Transferring the risk (e.g. insurance, contracts)
- Accepting the risk where it is low and proportionate

Control measures must be realistic, cost-effective, and proportionate.

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10. Monitoring and Review

- The Risk Register will be reviewed at least annually by Full Council
- High-risk items may be reviewed more frequently
- This policy will be reviewed every three years, or sooner if required by legislation or best practice

Evidence of review and approval will be minuted.

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11. Link to Other Policies and Documents

This policy should be read in conjunction with:

- Risk Register
- Financial Regulations
- Internal Control Policy
- Business Continuity Plan
- Health & Safety Policy
- Safeguarding Policy

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12. Adoption and Review

Adopted by: Lytchett Matravers Parish Council

Date adopted: February 2026

Minute reference: 5.3

Next review due: March 2027

This policy has been prepared in line with NALC guidance and supports the Council's governance and audit requirements.

Appendix A – Link Between Risk Management Policy and Risk Register

This appendix demonstrates how this Risk Management Policy aligns directly with the headings and structure of the Council's Risk Register. The Risk Register is the operational document that evidences the application of this policy.

Risk Register Headings and Policy Alignment

Risk Register Heading	How This Policy Applies
Risk Reference / ID	Each risk is uniquely identified to allow monitoring, review, and audit tracking.
Risk Description	Risks are clearly described to identify the nature and source of the risk.
Risk Category	Risks are categorised (e.g. governance, financial, operational, H&S) to support oversight.
Likelihood	Likelihood scoring is used to assess the probability of the risk occurring.
Impact	Impact scoring measures the potential effect should the risk materialise.
Risk Score	Combined likelihood and impact scores are used to prioritise risks.
Existing Controls	Controls and mitigation measures demonstrate how risks are managed in practice.
Further Action Required	Any additional mitigation required is recorded with clear actions.
Responsible Officer / Body	Responsibility for managing each risk is clearly allocated.
Review Date	Each risk is reviewed regularly and at least annually by Full Council.

This alignment ensures that the Risk Management Policy provides the governance framework and the Risk Register provides clear, auditable evidence of risk management in operation.