



CWMAMAN TOWN COUNCIL RISK MANAGEMENT POLICY

Adopted February 2026

Review February 2029

Policy Statement

Cwmaman Town Council is committed to identifying, managing and reviewing risks in a sensible and proportionate way. Effective risk management helps the Council protect its members, staff, volunteers, assets, finances, reputation and the communities it serves.

Risk management supports good governance and helps the Council make informed decisions, deliver services safely and meet its legal and financial responsibilities.

Purpose of the Policy

The purpose of this policy is to explain how Cwmaman Town Council manages risk across all its activities.

In particular, this policy aims to:

- Identify risks that could affect the Council or the community
- Reduce risks to an acceptable level where reasonably practicable
- Support sound decision-making and effective internal control
- Protect public funds, Council assets and services
- Promote a positive and responsible approach to risk management

Scope of the Policy

This policy applies to all areas of the Council's work, including:

- Governance and decision-making
- Financial management and budgeting
- Employment of staff
- Ownership and management of land and buildings
- Delivery of services and facilities
- Community events and activities

This includes risks associated with:

- Play parks and open spaces
- The community centre
- The bunkhouse
- The café
- Safeguarding, health and safety and data protection

What Is Risk?

Risk is the possibility that something may happen that could negatively affect the Council's ability to achieve its objectives.

Risks may relate to:

- Governance or legal compliance
- Financial management
- Operational activities and assets
- Reputation and public confidence
- Strategic planning and future sustainability

Roles and Responsibilities

Full Council

The Full Council has overall responsibility for risk management. It will:

- Approve the Risk Management Policy
- Consider and approve the Council-wide Risk Register
- Review risk management arrangements at least annually

Sub-Committees

Where relevant, individual sections of the Council-wide Risk Register will be reviewed by the appropriate sub-committee prior to consideration by Full Council.

Sub-committees are responsible for:

- Reviewing risks within their area of responsibility
- Considering whether existing control measures remain adequate
- Identifying any new or emerging risks
- Recommending amendments or actions to Full Council

The Council-wide Risk Register will remain a standing item on the agenda of relevant sub-committee meetings and will be formally reviewed and approved annually by Full Council.

Town Clerk

The Town Clerk is responsible for:

- Maintaining the Council-wide Risk Register
- Ensuring risks are reviewed and updated regularly
- Reporting significant or emerging risks to the Council
- Ensuring appropriate control measures are in place

Councillors and Staff

All councillors and staff have a responsibility to:

- Be aware of risks related to Council activities
- Follow Council policies and procedures
- Report new or emerging risks to the Town Clerk

Identifying Risks

Risks may be identified through:

- Day-to-day Council operations
- Financial planning and budget setting
- Asset inspections and maintenance
- Complaints, incidents or near misses
- Audit findings and recommendations
- Changes in legislation, guidance or Council activities

Assessing Risks

Identified risks will be assessed by considering:

- The likelihood of the risk occurring
- The potential impact if the risk were to occur

This helps the Council prioritise risks and focus attention on those that present the greatest threat.

Risks are assessed using the Council's Risk Scoring Matrix, which sets out how likelihood and impact are rated. The Risk Scoring Matrix is provided at **Annex A** and is used to support consistent and proportionate assessment of risks recorded in the Council-wide Risk Register.

Managing and Controlling Risks

The Council will manage risks by:

- Avoiding the risk where possible
- Reducing the likelihood or impact of the risk
- Transferring the risk, for example through insurance or contracts
- Accepting the risk where it is low and proportionate

Control measures may include:

- Policies and procedures
- Training and supervision
- Inspections and maintenance programmes
- Financial controls
- Insurance arrangements

Risk Register

The Council will maintain a single Council-wide Risk Register.

The Risk Register will:

- Record identified risks
- Describe existing control measures
- Identify any further actions required
- Allocate responsibility for managing each risk

The Risk Register will cover:

- Governance and legal risks
- Financial risks
- Operational and asset-related risks

Monitoring and Review

- This policy will be reviewed every **three years**, or earlier if required due to changes in legislation, guidance or Council activities
- Significant risks will be reviewed more frequently where necessary

Relationship with Other Policies

This policy should be read alongside other Council policies and procedures, including:

- Financial Regulations
- Standing Orders
- Safeguarding Policy
- Health and Safety Policy
- Asset management and inspection arrangements

Related Documents

This policy should be read alongside the Council's Risk Register, Financial Regulations, Standing Orders, Safeguarding Policy and Health and Safety Policy.

Review of the Policy

This Risk Management Policy will be reviewed every **three years**, or earlier if required.

Date of approval 23rd February 2026

Clerk signature of approval _____

Chairs signature of approval _____

Next review date February 2029

ANNEX A
Risk Scoring Matrix
(To support the Risk Management Policy and Council-wide Risk Register)

Purpose of this Annex

This Risk Scoring Matrix explains how Cwmaman Town Council assesses and prioritises risks in a consistent and proportionate way.

It supports the Council's Risk Management Policy and is used when completing and reviewing the Council-wide Risk Register, including financial, governance, operational and health and safety risks.

How Risks Are Scored

Each identified risk is assessed using two factors:

- **Likelihood** – how likely it is that the risk will occur
- **Impact (Severity)** – how serious the consequences would be if the risk occurred

The overall **Risk Score** is calculated by multiplying the likelihood score by the impact score.

Likelihood Rating

| Score | Description |
|-------------------|--------------------------------|
| 1 – Most Unlikely | Rare or very unlikely to occur |
| 2 – Unlikely | Could occur but not expected |
| 3 – Likely | Likely to occur at some point |
| 4 – Most Likely | Expected to occur frequently |

Impact (Severity) Rating

| Score | Description |
|-------------|--|
| 1 – Minor | Minimal impact; easily managed |
| 2 – Slight | Limited disruption or inconvenience |
| 3 – Serious | Significant impact on services, finances or reputation |
| 4 – Major | Severe impact; major financial, legal or safety consequences |

Risk Rating and Action Bands

| Risk Score | Risk Level | Required Action |
|------------|--------------|--|
| 1–2 | Minimal Risk | Maintain existing control measures |
| 3–4 | Low Risk | Review control measures |
| 6–8 | Medium Risk | Improve control measures |
| 9–16 | High Risk | Improve control measures immediately and consider stopping the activity if necessary |

Using the Risk Register

For each risk recorded in the Council-wide Risk Register, the following must be identified:

- The nature of the risk
- Existing control measures
- Likelihood score
- Impact score
- Overall risk score
- Any further actions required
- Officer or role responsible

Risks should be reviewed regularly and updated where circumstances change.

Review and Governance

- The Council-wide Risk Register will be reviewed **at least annually**
- High-risk items will be reviewed more frequently where required
- The Health and Safety risks will be formally reviewed annually as part of the Council's annual governance and risk review
- This scoring matrix will be reviewed alongside the Risk Management Policy

Relationship with Financial Regulations

This scoring approach supports the Council's system of internal control and risk management as required by the **Financial Regulations 2024**, including the requirement for the Council to identify, manage and review risks on a regular basis.