



# RISK MANAGEMENT POLICY 2020

Newbold Pacey & Ashorne Parish Council

## 1. General

- 1.1 Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery.
- 1.2 Members of Newbold Pacey & Ashorne Parish Council are ultimately responsible for risk management because risks threaten the Council's ability to achieve its objectives. The Parish Clerk/RFO should therefore ensure that members:
  - a) Identify the key risks facing the Council;
  - b) Evaluate the impact to the Council should the risk happen;
  - c) Consider the likelihood of the risk happening; and
  - d) Agree measures to avoid, reduce or control the risk or its consequence.
- 1.3 The key risks facing Newbold Pacey & Ashorne Parish Council are documented in the Risk Management Plan (see separate document).
- 1.4 In the Risk Management Plan each risk is documented under the following headings:
  - a) **Risk Area** – high level risk area e.g. assets.
  - b) **Specific Concern** – specific area of risk e.g. playground.
  - c) **Risk** – reason for the risk.
  - d) **Impact** – the impact should the worst-case scenario happen. This is categorised as Low, Medium or High. [See Appendix 1.](#)
  - e) **Likelihood** – the likelihood of the worst-case scenario happening. This is categorised as Low, Medium or High. [See Appendix 1.](#)
  - f) **Internal Control** – the controls the Council already has in place to minimise or transfer risk.
  - g) **Agreed Improvements (year)** – the internal controls the Council plans to put in place to minimise risk likelihood in the year in question. It may be agreed that there are no improvements required or necessary during the year in question.
  - h) **Who** – Individual(s) with responsibility for action.
  - i) **Target Date** – target date for completion.
  - j) **Progress** – towards completion
  - k) **Review Date(s) & Comment** – review date and comments documenting progress.

## 2. Publication

- 2.1 Once adopted and subsequently updated this policy will be made available for the public to view at [www.npapc.co.uk](http://www.npapc.co.uk).

## 3. Review

- 3.1 The Risk Management Plan is created annually during the budgeting process for the financial year ahead and is valid during the year April - March.
- 3.2 Once adopted, it is the responsibility of Newbold Pacey & Ashorne Parish Council to review and update this plan, at a minimum, on a quarterly basis.
- 3.3 When considering a new activity, the Parish Clerk/RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Parish Council.
- 3.4 Once approved, any changes to the Risk Management Plan are agreed by resolution.

## Appendix 1

| <b>Definitions</b> | <b>Low</b>   | <b>Medium</b>  | <b>High</b>   |
|--------------------|--|--|---|
| <b>Impact</b>      | Minimal impact on the resources of the Council, health and safety of residents or confidence levels. | Risk of injury, loss of funds, costly legal dispute.       | Risk of fatality or life changing injury; significant loss of funds impeding function of the Council. |
| <b>Likelihood</b>  | The risk event could occur at some time (during a specified period), but it is unlikely              | Might happen at some time; occurrence would not be unusual | Will probably occur in most circumstances   |