



ASHTON

PARISH COUNCIL

Risk Management Policy

1. Background

1.1 Risk manifests itself in the form of an event/action that impacts the capability of any organisation to optimally carry out its activities and fulfil its objectives. Common areas of risk requiring management are financial, operational, compliance and reputational.

1.2 Risk management involves the identification, assessment and control of such of risk and is thus a key component in the governance of an organisation to ensure the avoidance of unforeseen costs, financial or otherwise, impacting its stakeholders.

1.3 For Council that entails the protection of the community, council assets and councillors alongside the minimisation of liabilities.

2. Risk Management Approach

2.1 Council will identify and manage risks in the most cost-effective manner available. It is the responsibility of all councillors and clerk to consider risks in carrying out their roles and duties, recognising failure to do so can impair the resources available to meet council's objectives.

2.2 The management of risk will be considered particularly in the context of the following:

- Setting policies and procedures and the periodic review thereof;
- Planning and budgeting;
- Reporting to council meetings; and
- Third party review input (internal audit/engagement of appropriate consultants)

2.3 When considering any activity/action council will:

- Identify the potential risks associated with it and any specific vulnerability or threats;
- Assess those risks, including potential impact on other council activities; and
- Consider potential risk mitigation and priority thereof.

2.4 Having identified risks, whether for a new activity or when review existing activities, consideration will be given to:

- **Control** - the ability to reduce risk or "design out" risk from the activity; when accepting a risk setting the appropriate periodic review policy and/or budget for potential costs.
- **Transfer** - outsource, share or insure the activity giving / creating the risk.
- **Elimination/cessation** - any activity which at review is considered to have a risk profile beyond current appetite (or for a new activity turning aside the related proposal).

2.5 The following matrix will be used to consider the priority attaching to individual risks:

Assessment:

Impact of issue occurring		Probability of issue occurring		Priority of focus / action
High	x	High	=	High
Low	x	High	=	Medium
High	x	Low	=	Medium
Low	x	Low	=	Low

2.6 An appropriate record of the consideration of risk will be maintained in the minutes of all meetings where proposals or relevant activities are discussed.

3. Risk register

3.1 Council will maintain a register of identified risks. This will be subject to periodic review by the Governance Committee for ratification by full council.

3.2 This will identify individual risks, their impact, how each risk is controlled or mitigated, the frequency of review of discrete risks where appropriate and actions identified as required at each review.

3.3 Any new activity proposed to council will include the text of the risk register entry to be incorporated in the event the proposal is adopted by council.

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