

**RISK MANAGEMENT  
(December 2009)**

**1. RISK MANAGEMENT POLICY**

- 1.1 The recognition and management of risk is integral to the Council's stewardship of their assets and resources and the effective and efficient discharge of their duties and responsibilities to the community.
- 1.2 Risk assessment is a continuous process for the Council. Risks may be financial or non-financial.
- 1.3 The Council is responsible for the management of risk in accordance with this policy and plan.
- 1.4 The Parish Clerk is responsible for advising the Council on risk assessment and for conducting his/her duties in a manner which avoids undue risks to the Council.
- 1.5 Key risks are identified in the Risk Management Plan and Register.
- 1.6 Risk Management is an aspect of the internal controls operated by the council through their approved Financial Regulations. Internal controls are subject to scrutiny by the internal auditor.

**2. RISK MANAGEMENT PLAN**

- 2.1 This plan defines how the Council will manage identified risks.
- 2.2 Risks can be defined as any threat or possibility that an action or event will adversely (or beneficially) affect the interests of the Council.
- 2.3 Risk management is not a process of avoiding risk altogether but seeks to identify risk and assess its implications in order to inform decisions.
- 2.4 The level of risk can be judged by the likelihood of it occurring and the effect on the Council should it do so. The more significant the impact or the higher the likelihood, the higher the level of risk will be. Conversely, the less significant the impact or the lower the likelihood, the level of risk will be lower.
- 2.5 Judgement of the level of risk may rely on past experience or a specific assessment of a particular instance, or both. The Council will determine whether a risk is acceptable in all the circumstances.
- 2.6 Generally much of the identified risk, which can be quantified, is covered by insurances carried by the Council, i.e.:
  - Public Liability
  - Employer Liability
  - Money
  - Fidelity
  - Guarantee
  - Personal Accident
  - Official's Indemnity
  - Equipment
- 2.7 The appended Risk Management Register forms part of this Plan.
- 2.8 The Council will review the Plan as part of their annual budgetary procedure.
- 2.9 The Plan should be read in conjunction with the Council's Financial Regulations.

**GEORGE NYMPTON & QUEENS NYMPTON PARISH COUNCIL**

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**RISK MANAGEMENT REGISTER (page 1 of 2)**

<b>RISK</b>	<b>PROBABILITY</b>	<b>IMPACT</b>	<b>MITIGATION</b>	<b>CONTROL</b>	<b>RESPONSIBILITIES</b>
Financial loss due to banking error (e.g. leading to loss of interest or bank charges being levied)	Medium – has occurred historically	Reduction in Council’s financial resources	Regular monitoring and review	Application of financial regulations, including scrutiny of all bank statements upon receipt  Periodic review of banking arrangements to secure best possible terms and conditions	Clerk  Clerk
Loss of monies due to fraudulent action by employee(s)	Low – any significant impact would easily be detectable	Reduction in Council’s financial resources	All cheques signed by two Councillors, against invoices or receipts. All expenditure approved by Council and minuted. Accounts subject to Council and Auditor scrutiny.	Application of financial regulations	Council
Compensation claim by employee (or contracted person) in respect of injury sustained in the cause of his/her employment/ engagement	Low – given the nature of Clerk’s duties	Claims for compensation and associated costs	Potential liabilities, including costs, covered by insurances (£10m)	Maintain adequate insurance cover (as per above)	Clerk
Loss of cheques, cash etc held on Council’s behalf	Low – Receipts rarely in cash. Income by way of cheque also infrequent	Reduction in Council’s financial resources	Such losses are covered by insurances; including theft (extent of cover depends on circumstances). Prompt payment of receipts into bank.	Maintain adequate insurance cover. Prompt payment of receipts into bank.	Clerk
Compensation claim resulting from (alleged) negligent act or accidental error or omission by the Council or its employee(s)	Low – given limited activities of the Council	Potentially substantial cost to Council	Risk Covered by Council’s insurances (£5,000,000)	Maintain adequate insurance cover. Ensure Council decisions are based on full information including professional advice where appropriate.	Clerk  Council
Actions against the Council for libel or slander	Low – Proper conduct of Council meetings and Clerk’s professional judgement regarding correspondence etc	Potentially substantial cost to the Council	Risk covered by Council’s insurance (£250,000)	Member awareness. Proper conduct of meetings by Chairman. Professional advice from Clerk.	Chairman  Clerk

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Failure to represent community interest adequately in relation to matters likely to impact significantly on the Parish	Low – Parish Council well established as consultee	Reduction in local facilities and/or quality of life or missed opportunity to benefit from external funding or advice	Council recognised by other agencies for consultation and information dissemination. Membership of DAPC	Threats and opportunities reported to Council meetings. Special meetings called as required. Clerk monitors NDDC, DCC, DAPC papers and publications as well as other miscellaneous communications.	Clerk
Mismanagement by Clerk	Low - Parish Council monitors performance via Agenda and Minutes. Internal Audit performs spot checks.	Potential cost to the Council (e.g. negligence, bank charges)	Risk not covered by Council's insurance but regular monitoring and reviews occur.	Spot checks by Internal Audit	Council
Error by Clerk with regards to cheque amount	Medium – has occurred	Potential cost to Council if it cannot be corrected	Risk not covered by Council's insurance	All cheque payments to be double-checked by Council by referral to Budget, Invoice, payment request etc	Council

This Risk Management document drawn up by the RFO was adopted by the Council at its Meeting held on **11<sup>th</sup> March 2010**