

Risk Management Policy



Director Owner	Andrew Cobb
Effective date:	1/3/22
Review date:	1/3/25
Related documents	Financial Control Policy Reserves Policy

Approval History

Version	Reviewed by	Amendment History	Approved by	Date
1.0	Jane Sullivan	First Draft	Andrew Cobb	01/03/22
1.1	Katharine Jane	Updated for charity status	Jane Sullivan	14/7/22
1.2	Andrew Counsell	Reviewed - no updates needed	Katharine Jane	11/3/24

Purpose

Newton Rigg Ltd is committed to the management of risk as an integral part of its operations to minimise threats to the achievement of its organisational goals and objectives. Effective risk management allows us to:

- Have increased confidence in achieving our goals
- Manage risks at tolerable levels
- Make informed decisions
- Strengthen corporate governance procedures

Scope

Newton Rigg Ltd is accountable for ensuring risk is managed across all activities of Newton Rigg Ltd. All employees are responsible for managing risk in so far as is reasonably practicable within their area of activity and are required to create an environment where the management of risk is accepted as the personal responsibility of all employees and contractors.

Policy Statement

The management of risk is integrated into Newton Rigg Ltd's strategic planning and operational process and is fully recognised in the funding and reporting processes.

In order for Newton Rigg Ltd to be properly informed of the status of risks all managers are required to report regularly on risks and progress with respect to their management. Newton Rigg Ltd regularly review the risk register to ensure it accurately reflects the risk to the business and controls are as strong as they can be.

Risk Management

Risk management is the process of making and carrying out decisions that will minimise the adverse effect of accidental losses upon our company. The risk management process is vital to the personal health and safety of employees and the safety of the public. In financial terms, it is vital to our ability to pursue our goals. Commence and operate programs, and to perform duties in an efficient and professional manner.

Sound risk management principles and practices are integral parts of business operations and key processes. Risks are transparent across the business providing opportunities for involvement across a range of people. Risk management performance is measured by a combination of ratings. Our risk register is used to record all the identified risks, mitigations and information on the status of the risks based on the impact and likelihood. The risk grades are assessed by taking account of four impact components, (financial, reputation, operations and health and safety) and the likelihood of the risk occurring.

Likelihood Rating

Likelihood Rating	Description	Concern
5	Almost Certain	The event is expected to occur
4	Likely	The event will probably occur
3	Possible	The event may occur
2	Unlikely	The event will probably not occur
1	Rare	The event will only occur in exceptional circumstances

Illustrative Impact Ratings

Impact Rating	Description	Finance	Reputation	Operations	Health & Safety
5	Catastrophic	>£300k	Substantiated widespread news item, significant reputation damage, third party actions	Business unit/s forced to cease indefinitely	Multiple Fatality
4	Significant	£200k-£300k	Substantiated news item, high impact news profile with embarrassment, possible 2 nd or 3 rd party involvement	Business unit forced to cease or suffer significantly reduced capacity for months	Extensive injuries/possible multiple injuries. Single fatality
3	Major	£100k-£200k	Substantiated news item profile with embarrassment	Business unit forced to cease or suffer reduced capacity for days	First aid and ongoing medical treatment. Possible loss time

2	Moderate	£50k-£100k	Substantiated news item with low impact	Business interruption for hours	Some injuries/first aid required
1	Minor	<£50k	News item with no impact or is unsubstantiated	Business interruption for less than one hour	Minor injuries/first aid required

Control Rating

Rating	Definition	Description	Grade	Risk
0 – 3	Excellent	The controls or mitigating practices are effective in managing the risk. Management accountability is assigned and controls or mitigating practices are well documented and regular monitoring and review indicates high compliance with the process.	0 – 3	Low
4 or 5	Good	Controls or mitigating practices exist and are operating effectively which manage the risk. Some improvement opportunities have been identified but not yet actioned.	4-5	Moderate
6 or 7	Partially Effective	Controls or mitigating practices exist and are operating which are partially effective in managing the risk.	6-7	
8	Poor	Controls or mitigating practices for managing the risk have been subject to major change or are in the process of being implemented and effectiveness cannot be confirmed.	8	Extreme
9 or 10	Unsatisfactory	No or ineffective controls or mitigating practices exist to manage the risk.	9-10	

Residual Risk

Description	Management Action Required	Monitoring
Extreme	Immediate Action	Monthly
Moderate	Senior management attention and action needed. Detailed management planning at senior levels. Management control and responsibility must be specified.	Quarterly
Low	No immediate action. No Major concern and can be managed by routine controls/procedures. Unlikely to need specific allocation resources.	Annually