Risk Management Procedure and Policy

Risk Management

Risk is the exposure to danger, harm or loss.

Risk management is essential as controlling risks allows the council to concentrate on working on behalf of the community rather than tackling problems.

Risk management is the process whereby the council methodically addresses the risks associated with what it does and the services which it provides. It identifies what can go wrong and takes proportionate steps to avoid this and successfully manage the consequences.

Risk management is not just about financial management and not all risks the Council faces, can be insured against. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and eventually, on the local community's Council Tax Bills.

Risk Management and Decision Making

The rapidly changing environment that the council operates within means that the council's risk management procedures need to be regularly reviewed, with any new council initiatives being risk assessed as part of discussions. The Council and Clerk are responsible for the continuous management of risk.

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The Benefits of Risk Management

Risk management is regarded as an essential element of good governance and as an integral part of internal control. It provides the foundation for effective management throughout the Council. Managing risk in this way delivers many other benefits to the Council as set out below:

- The process provides a fully documented record of all major risks
- Recognition of emerging issues in an ongoing and organised manner before they reach unmanageable proportions
- Fewer opportunities will be missed
- There is also an enhanced ability to justify actions taken
- The Council's reputation is protected and enhanced
- The Council will receive fewer complaints and will have more satisfied residents
- Income can be maximised and expenditure reduced.

Summary of Risk Management Roles

Allocation promotes clarity and removes confusion.

The Role of Council Members

- To consider and approve the Risk Management Policy
- To consider and approve the risk assessments within it
- To consider and approve the action in response to risks

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- To oversee the management of risk by the Clerk

The Role of the Clerk

- To carry out the Council's Risk Management
- To complete risk assessments for council activities
- To consider risk as part of everyday activities and provide input to the risk management process
- To advise the council of any new risks or the potential for any unforeseen risks as soon as possible upon discovery of a threat

The Role of Internal Audit

- To assist with the development and review of a Risk Management Policy
- To provide independent assurance on the way risks are managed.

Risk Management Policy Statement

It is the policy of the Council to adopt a risk process that supports better decision making through understanding of risks and any likely impact.

The policy seeks to confirm the commitment of the Council to a risk managed culture by ensuring that every member, employee and volunteer has regard for the management of risks in the decision making process and everyday situations. The Council is committed to the management of risks in order to:

- Achieve its aims and objectives
- Ensure compliance with statutory obligations
- Safeguard its employees, members, service users and all other persons to whom the Council has a duty of care

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- Protect its assets, including property, equipment, other resources and reduce associated losses and claims
- Maintain effective control of public funds
- Minimise waste, fraud and poor value for money
- Support better project management
- Promote the reputation of the Council

This policy statement has the support of the Council, which recognises that achievement of these identified risk management objectives will benefit the whole community.

See appendix for Risk Register

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