

## WITNEY TOWN COUNCIL

### RISK MANAGEMENT POLICY

#### INTRODUCTION

The Accounts and Audit Regulations 2015 section 3 requires that the council “has a sound system of internal control which...includes effective arrangements for the management of risk.” This policy has been developed to comply with the statutory requirements and to assist in achieving effective corporate governance.

The Risk Management Policy of the Council is to ensure it complies with statutory requirements and guidelines and to adopt best practices in the identification, evaluation and cost-effective control of risks to ensure they are eliminated or reduced to an acceptable level.

All decisions present different levels of risk and opportunity to the Council. It is acknowledged that some risks will always exist and will never be eliminated for this reason contingency plans will need to be in place to manage these risks. The Town Council expects Members and employees at all levels to understand the nature of the risks and accept responsibility for risks associated with their area of authority.

#### RISK MANAGEMENT POLICY OBJECTIVES

The risk management policy objectives of the Council are:

- ❑ To integrate risk management into the culture of the Council.
- ❑ To identify, evaluate and manage risk in accordance with best practice.
- ❑ To anticipate and respond to changing social, environmental and legislative requirements.
- ❑ To prevent injury, damage and losses and reduce the cost of risk.
- ❑ To promote awareness of the need for risk management in all service areas.

#### ACHIEVEMENT OF OBJECTIVES

These objectives will be achieved by:

- ❑ Maintaining clear roles, responsibilities and reporting lines for risk management within the Council. Including the heading “risk ” where applicable, in reports to the Committees and Council. This highlights any key additional risks which arise from reports so that in decision making Councillors can consider these risks and any action it can take to limit or negate its liability.
- ❑ Maintaining and regularly reviewing the corporate risk register which identifies and evaluates risks and the controls used to manage those risks on an ongoing basis.
- ❑ Preparing contingency plans in areas where there is potential for an occurrence having a significant effect on the Council and its business capability.
- ❑ Monitoring arrangements on an ongoing basis.

#### RISK IDENTIFICATION

Risks are identified and are scored each year. Where necessary an Action Plan is produced to address these risks. However this is not an exhaustive list and other risks emerge during the year as a result of experience and events and as decisions are taken by the Council . Line Managers are therefore expected to review their areas to highlight any other aspects of the Council business that may be exposed to risk.

## RISK ASSESSMENT

A risk assessment can be performed based on the **impact** of the risk on the service or Council and the **likelihood** of it occurring. A points system is used to flag risks for attention or further action.

Low = 1

Medium = 2

High = 3

Where necessary an action plan is produced and presented to the Committee responsible for comment.

## MANAGING RISK

There are a number of ways in which risk can be managed and these include:

- Identification and implementation of adequate controls to reduce risk to an acceptable level
- Accept the risk
- Avoid the risk (do not carry out the activity)
- Transfer the risk (insurance or third party)
- Reduce the possible impacts (business continuity planning)

Many risk control measures may already be in place whilst others may need to be implemented as a result of this process. Officers are required to ensure that processes are clearly documented in order to satisfy Auditors.

## RE-ASSESSMENT OF RISK

From the annual risk assessment of a service further reviews are triggered on a timely basis. However, all risks should periodically be reassessed at least annually. Risk control measures will also need to be monitored to ensure all relevant Officers understand all new processes.

## ACTION PLANNING

As mentioned above, after the appropriate risk control measures have been identified and assessed as being adequate terms of reducing risk to an acceptable level, action needs to be taken to ensure these are properly implemented and maintained.

All documentation associated with operational risk assessment and risk management should be maintained in a central location and, where appropriate, used to support subsequent business planning.

## MONITORING AND REPORTING

Risk assessment and risk management is not a one-off activity and should therefore be integrated within the normal management and business planning process.

Once a particular area of the Council's business has been risk scored and an action plan drawn up a report will be presented to the Committee responsible for comment, and any financial implications arising directly from the risk assessment will be referred to the Policy, Governance & Finance Committee for approval.

## REVIEW OF RISK MANAGEMENT POLICY

Any variations to this policy will be reported to the Policy, Governance & Finance Committee as they occur. The policy will also be reviewed annually.

Revised draft: Policy, Governance and Finance Committee, 31 March 2025.

