



RISK MANAGEMENT POLICY

Introduction

Risk management is an essential part of effective corporate governance. Stonehouse Town Council recognises that it has a responsibility to manage its risks effectively in order to protect its employees, assets, liabilities and community against potential losses, damage, injury or failure to achieve the Council’s policies and objectives. The Council is aware that not all risks can be eliminated fully, and therefore will have in place procedures for effectively managing risks.

The Town Council will:

- a) Ensure that Risk Management forms an integral part of the Council’s procedures.
- b) Manage any risk in accordance with best practice.
- c) Anticipate and respond to changing social, environmental and legislative requirements.
- d) Identify risks and the impact of those risks when adopting policies and making operational decisions.
- e) Positively and actively promote an awareness of risk management for all council services.

Categories Of Risk

Categories of risk could include, Strategic Risk (adverse impacts of poor decision-making), Legal/Compliance Risk, Financial Risk, Staffing Risk, Health & Safety Risk, Environmental Risk.

Risk Assessment & Action

Risks will be identified and then assessed according to the following criteria:

| | Major impact (3) | Moderate impact (2) | Minor impact (1) |
|-----------------|------------------|---------------------|------------------|
| High risk (3) | Score 9 | Score 6 | Score 3 |
| Medium risk (2) | Score 6 | Score 4 | Score 2 |
| Low risk (1) | Score 3 | Score 2 | Score 1 |

Score 9: circumstances giving rise to risk to be eliminated if possible.

Score 4-6: risk requires immediate and/or continuous management and monitoring.

Score 2-3: risk requires management and monitoring.

Score 1: risk does not require management but may be monitored.

Implementation

The Town Council will:

- a) Establish clear roles, responsibilities and reporting lines within the Council.
- b) Inform relevant Committees of the Council, where applicable, of potential risks identified.
- c) Provide training of staff in risk management procedures.
- d) Carry out risk assessments in all areas of the council's activities.
- e) Continue to monitor procedures and assessments periodically.
- f) Prepare contingency plans for potential risks which could have a significant effect on the Council and or the community.

An Action Plan will be produced from a risk assessment if required. Where relevant, the risk assessment and Action Plan will be reported to the responsible Committee, along with any mitigation proposals and financial consequences that may require funds to achieve.

Risk assessments will be monitored and reviewed at appropriate points, either during the progress of a particular project, or in the case of functions and services provided by the Town Council, whenever there is any significant operational or legislative change impacting on that function or service.

Every report requiring action prepared for consideration by elected members will contain a paragraph entitled Risk Assessment, wherein the risk of any proposal will be assessed and mitigation proposals suggested where appropriate.

Roles & Responsibilities

Councillors: To oversee effective management of risk in all Council activities; to pay due regard to risk assessment in all decision-making.

Officers: To ensure that the Council manages risk effectively through the development and implementation of the risk management procedures outlined above.

Employees: To manage risk effectively within their work areas.

This policy is to be read in conjunction with the following Stonehouse Town Council policies:

- Health & Safety
- Environment
- Financial Regulations
- Investment Strategy

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