SHAFTESBURY TOWN COUNCIL

RISK MANAGEMENT POLICY

1. Introduction

1.1 Risk Management is an essential part of effective corporate governance. Therefore, the council has a statutory duty to have in place arrangements for managing risk as stated in the Accounts & Audit Regulations as amended: .

"The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk".

2. Definition

2.1 Risk is the chance or possibility of loss, damage, injury or failure to achieve the council's policies and objectives caused by an action or event for which the council may be unprepared. Risk management will involve a process of identifying those risks which could either threaten the council financially or its well being, and wherever possible taking action or putting processes in place to mitigate those risks to the lowest possible level.

3. Policy Statement

3.1 Shaftesbury Town Council has acknowledged, through its Policy Plan and Financial Standing orders that it has a responsibility to manage its risks effectively in order to protect its employees, assets, liabilities and community against potential losses and to minimise any impact which could present itself, thus preventing the council from achieving its vision.

3.2 Risk management will form part of the Council's management process. The council is aware that not all risks can be eliminated fully, however through correct and careful procedures there will be a focussed approach to managing any risks.

3.3 The Council will expect all Councillors and employees at all levels to understand the nature of any risks and accept responsibility for risks associated with their area of authority, as follows:

Councillors To oversee effective management of risk by council staff

Management Team To ensure that the Council manages risk effectively through the development of a comprehensive risk management strategy

Employees To manage risk effectively in their job

4. **Objectives**

4.1 The Town Council will:

1. Ensure that Risk Management forms an integral part of the councils procedures

2. Manage any risk in accordance with best practice

3. Anticipate and respond to changing social, environmental and legislative requirements

4. Identify risks and the impact of those risks when adopting policies and making operational decisions

5. Positively and actively promote an awareness of risk management for all council services

5. **Achievement**

5.1 The Town Council will:

1. Establish clear roles, responsibilities and reporting lines within the Council

2. Inform relevant Committees of the Council, where applicable, of potential risks identified

3. Provide training of staff in risk management procedures

4. Carry out risk assessments in all areas of the council's activities

5. Continue to monitor procedures and assessments periodically and in any event at least each year

6. Prepare contingency plans for potential risks which could have a significant effect on the council and or the community

6. **Risk Assessments**

6.1 Risk assessments will be scored as either low, medium or high, based upon the impact of any risk and the likelihood of its occurrence. From the risk assessments an Action Plan will be produced. 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.

6.2 Risk assessments will be monitored and reviewed throughout the year at appropriate points, either during the progress of a particular project, or in the case of services provided by the Town Council, at least annually.

6.3 Every report 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.