

POLICY:	RISK MANAGEMENT POLICY
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Available to:	All Staff, Councillors & Public (upon request)
Supersedes Version:	Risk Management Policy – 13 th May 2026
Approved by:	Full Council
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1. Description

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 wellbeing, and wherever possible taking action or putting processes in place to mitigate those risks to the lowest possible level.

2. Purpose of this policy

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”.

3. Scope

Ludlow Town Council has acknowledged, through its Policies and Financial Regulations that it has a responsibility to manage its risks effectively in order to protect its:-

- Community,
- Assets, and
- Employees.

against potential losses and to minimise any impact which could prevent the Council from conducting its activities.

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.

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. Procedure

4.1 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 and its management for all Council services.

4.2 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 and in any event at least each year.
- f) Prepare contingency plans for potential risks which could have a significant effect on the Council and or the community.

4.3 Risk assessments:

Will be performed by appropriately trained Council employees and scored as either low, medium or high, based upon the impact of any risk and the likelihood of its occurrence.

The Risk Assessments will be reported to Council, along with any mitigation proposals.

Risk assessments will be monitored and reviewed throughout the year by appropriately training Council employees at appropriate points, either during the

progress of a particular project, or in the case of services at least annually. Risk assessments will be presented to Council for comment at least annually.

4.4 Role of Internal Audit:

To provide a scrutiny role by carrying out audits to provide independent assurance to Members, via the Internal Auditor's annual audit plan and post audit report that the necessary risk management systems are in place.

4.5 Town Council risk mitigation:

Always seeks to reduce exposure by applying one of the following actions. Each weakness is analysed and action is taken in the following order until a satisfactory mitigation is achieved:

- a) Implement an action that will remove the risk.
- b) Implement an action that will reduce the risk to an acceptable level.
- c) Transfer the risk and responsibility (e.g. To a contractor), the Council will always retain accountability.
- d) Insure against the risk.
- e) In many cases mitigation will be a combination of two or more of these strategies.
- f) For any weakness identified to which it proves impossible to apply any of the first three strategies, the action should be suspended until it is specifically raised at the next Policy & Finance Committee meeting to make recommendations to Full Council.

5. Legal

Health & Safety at Work Act 1974.
Accounting and Audit Regulations 2015.
Local Government Act (LGA) 1972, s. 140

6. Other relevant policies

H&S Policy
H&S Handbook
Financial Regulations

Implications

Wards Affected (All)

Financial (None specified)

Health & Safety (None specified)

Law & Order (None specified)

Environmental Implications (None specified)