POLICY:	**RISK MANAGEMENT POLICY**
Policy number:	LTC / RMP/ 23 / v.1
Available to:	All Staff, Councillors & Public (upon request)
Supersedes Version:	New policy
Approved by:	Full Council
Approval date:	31st July 2023
Review due:	April 2026

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 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.

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 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 scored as either low, medium or high, based upon the impact of any risk and the likelihood of its occurrence.

The Risk Assessment will be reported to Council, along with any mitigation proposals and financial consequences that may require funds to achieve.

Ludlow Town Council

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.

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.

4.4 **Town Council risk mitigation:**
Always seeks to reduce exposure by applying one of the following actions. Each weakness is analysed and the list is always applied in numerical 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) If none of the above are possible and it is a weakness we cannot avoid, accept the risk.
f) In many cases mitigation will be a combination of two or more of these strategies.
g) For any weakness that it proves impossible to apply any of the first three strategies must be specifically raised on the next Policy & Finance Committee meeting. This will ensure that Full Council will vote on whether such a risk is acceptable.

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

<u>Implications</u>

Wards Affected (All)

Financial (None specified)

Health & Safety (None specified)

Law & Order (None specified)

Environmental Implications (None specified)