# RISK MANAGEMENT
## Risk Management Strategy and Risk Register for the year 2017/18

## 1  Introduction

Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of the council's objectives.  Risk management is the process by which the council will address the risks associated with its activities and services.  The council is committed to identifying risks and taking proportionate steps to avoid them or to successfully manage the consequences.  This document sets out Bletchley and Fenny Stratford Town Council's approach to risk management and records this important part of its governance arrangements.

This document is concerned chiefly with financial and reputational risk and should be read in conjunction with the Town Council's Health and Safety Risk assessment and management plan.  It has been prepared to assist the council to meet its statutory obligations under the Governance and Accountability Practitioner's Guide to Proper Practices 2017 and sets out the approach the council will take to managing its risks.

## 2  Risk Management Process

### i  Identification of Risks

The council has grouped the risks it faces into several categories as follows:

- Financial – loss of money
- Strategic – long term adverse impacts from poor decision making or implementation
- Security – fraud, theft, embezzlement
- Property and Premises – damage to  and loss of property
- Legal – breaking the law and being prosecuted or sued (ie compliance)
- IT – failure or misuse of IT systems or data control
- Reputational – actions that could harm the council's public reputation

Specific risks within each of these categories are identified in the Town Council's annual risk register. Whenever a new service or activity is considered during the year the council as a whole will be responsible for identifying the risks which this change may bring about.

## ii  Assessment of Risks

Having identified key risks BFSTC will assess the potential consequences of that risk occurring (impact) and consider how likely this is (likelihood).   This process will be accomplished using a numerical scoring system for each risk as shown in the assessment matrix below.

**Likelihood**

| | Negligible (1) | Moderate (2) | Severe (3) |
|---|---|---|---|
| **Highly likely (3)** | Medium (3) | High (6) | High (9) |
| **Possible (2)** | Low (2) | Medium (4) | High (6) |
| **Unlikely (1)** | Low (1) | Low (2) | Medium (3) |

**Negligible (1)    Moderate (2)    Severe (3)**
**Impact**

The council recognises that no activities or services are risk free and it must respond to differing levels of risk in an appropriate way.  All activities and services will be subject to this assessment, activities/services which score 4 or above will be subject to detailed consideration and preparation of an action plan to control the risk.

## iii  Addressing, Managing and Reporting Risks

Activities and Services will be recorded on the Town Council's Risk Register.  The register will record both the risk assessment and the measures which have been put in place to control the risk ie the council's "*internal controls".*

Risks will usually be addressed using one or more of the following responses.

**Tolerate–** the risk is so slight that it can be accepted, or the possible controls are disproportionate to the risk and cannot be justified, or the risks are unavoidable (eg terrorism)

**Treat–** internal controls can be imposed which will bring the level of risk to a point where it can be tolerated

**Transfer –** some risks can be transferred to a third party eg by insurance or by employing a specialist external body to undertake the activity/service

**Terminate –** some risks are intolerable and no response can bring them to an acceptable level in which case such activities/services should not be begun or should be stopped

Many of the risks faced by the council will be mitigated by the use of insurance and the council will obtain advice from its insurers when considering new risks. Specialist advice has been purchased by the council from Ellis Whittam on both health and safety matters and employment law matters.   This advice and information from NALC and SLCC and other specialist is available to members and officers to assist in the preparation of suitable internal

controls for addressing risk. Some risks to the council eg reputational damage cannot be insured against.

**Roles and Responsibilities -** The ultimate responsibility for managing risk rests with the full council. However in order to embed risk management into all the day to day operations of the council it is essential that individual members, officers and other individuals understand their role in contributing to the risk management process. Aspects of risk management may be delegated via the council's scheme of delegations and job descriptions.

| Full Council | <ul><li>General oversight of all the council's activities and services including implementation of risk management, monitoring and review of new and existing risks</li><li>Approves risk management strategy, risk register and associated documents</li><li>Undertakes annual review of risk management</li><li>Completes annual return asserting that risk management had been undertaken appropriately</li></ul> |
| --- | --- |
| **Individual Councillors** | <ul><li>Maintain awareness of risks, impact and costs and feeds into the Town Clerk/Council as part of risk management process</li></ul> |
| **Town Clerk/RFO** | <ul><li>Provides advice and support to members on risk management</li><li>Maintains risk management register</li><li>Manages day to day operations of council in line with existing risk management policies and procedures</li><li>Reports on day to day risk management matters</li><li>Complies with council procedures, policies and statutory and non-statutory guidance (eg financial regulations, staff handbook etc)</li></ul> |
| **Outsourced Book-keeping/Accountancy provider** | <ul><li>Maintains awareness of risks, impact and costs and reports to Town Clerk/Council as part of risk management process</li><li>Advises on financial risk management and operation of internal controls</li><li>Complies with operating procedures, statutory and non-statutory guidance (eg financial regulations, proper practices etc)</li></ul> |
| **Staff** | <ul><li>Maintains awareness of risks, impact and costs and feeds information about them into the Town Clerk/Council as part of risk management process</li><li>Control risks in their everyday activities/work</li><li>Monitor progress in managing job related risks</li></ul> |