



AIMS

The aim of Chesham Town Council's risk management policy is to protect the Council's ability to deliver its vision to "Improve the quality of life of all the residents of Chesham" through meeting its strategic objectives. These objectives are broad ranging and include the provision of cultural and recreational facilities; promoting economic and commercial vitality; protecting the town's unique identity, heritage and environment; consulting with residents; developing social inclusivity; and providing secure and effective financial management.

The purpose of the policy is to set a framework to identify, prioritise and manage risks that could negatively impact upon delivery of the vision. Risk management should be a proactive, rather than reactive, process.

TYPES OF RISK

The Council faces **operational risks** associated with the daily management of its services. Management of these risks are overseen by the managers of each service area. The Council also faces **strategic risks** and the management of these will be overseen by the Council and its committees.

Within these broad categories, the types of risks to be considered include financial, legal, health & safety, staffing, reputational and environmental.

RISK MANAGEMENT PROCESS

1. Identify risks

There are many ways to identify risks, including using Members' and officers' knowledge and experiences, external and internal auditing, reviewing incident and accident reporting, reviewing complaints and internal risk assessments.

2. Assess the risk

Each risk will be assessed based on an analysis of the consequences/impact on the delivery of the Council's Vision and the likelihood of the risk occurring. The most significant risks can then be prioritised.



3. Develop a response to the risk

This involves identifying what can be done to reduce the likelihood of a risk, and what can be done to manage the risk should it occur. Depending upon the likelihood and impact of the risk, it may be appropriate to:

- Accept the risk
- Mitigate the risk (e.g. through insurance)
- Reduce the risk by introducing controls
- Avoid the risk by taking an alternative approach or avoiding the activity

4. Treat the risks

If mitigation or implementing controls are appropriate, ideas to reduce or eliminate the risk are converted into tasks at this point. Action will be prioritised according to the risk rating.

5. Monitor and Review the risks

Strategic risks will be regularly reviewed by the Council, its committees and working parties, as appropriate. Operational risks will be continuously monitored by service managers, with health & safety risks reviewed at least annually (or more frequently in the event of a significant, relevant change) as part of the risk assessment programme.

ROLES AND RESPONSIBILITIES

Strategic Risks

The Policy and Resources Committee is responsible for the development of a strategic risk management register, which it monitors in line with its Terms of Reference to ensure that the Council's organisation and management processes make the most effective contribution to the achievement of the Council's objectives and to keep them under review.

Operational Risks

Where the likelihood is low, but the impact high, the Council may choose to develop contingency arrangements, e.g. business continuity plans.

Financial Risks

The Policy and Resources Committee:

- considers the external auditor's annual governance statement and internal auditor's reports
- considers periodic statements of income and expenditure under each heading of the approved annual revenue and capital budgets
- considers the annual estimates for revenue services and capital projects, and recommends the Precept to Council
- determines the Council's investment policy
- receives reports of outstanding debts over four months old
- reviews the Council's Financial Regulations



The Council:

- considers reports on treasury management policies, practices and activities, including an annual strategy and plan and an annual report
- reviews all fees and charge annually

The Finance Working Party undertakes regular reviews of the Council's financial position, budget and precept setting, investment strategy and income generation.

Financial risk assessments are carried out annually by the Finance and Contracts Manager.

The Finance and Contracts Manager reviews the Council's insurance cover annually and makes recommendations to the Council and updates the cover as required.

Legal Risks

The Council is responsible for ensuring that it does not act *ultra vires* when a decision is taken. The Town Clerk will record the legal powers bestowed upon the Council in the minutes against decisions taken, where appropriate. Minutes are reviewed during the audit process.

The Town Clerk is responsible for ensuring that agenda, notices and minutes adhere to legal requirements.

Staffing Risks

Risk management relating to staffing issues will be overseen by the Executive Committee, with input from the Town Clerk and service managers.

Health & Safety Risks

Risk assessments for each service area will be reviewed at least annually (or more frequently in the event of a significant, relevant change) by the managers or their delegated staff members.

The Council will undertake an annual review of the Council's Health and Safety Policies and will receive an annual monitoring report on the risk assessment programme.

Risk assessments for all events by third parties on Council land will be requested by the Finance and Contracts Manager.

Environmental Risks

The Council will consider an annual review of its performance as measured against its Environmental Policy.



POLICY REVIEW

Version 2 Adopted: 12 October 2015
Policy Review Due: October 2019



Chesham Town Council
Risk Management Policy V.2