Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR
Tel: 01768 899 773 Email: office@penrithtowncouncil.co.uk

RISK MANAGEMENT POLICY

1. INTRODUCTION

Risk Management is an essential feature of the Town Council's corporate governance arrangements. Risk Management applies to all areas of the Council's work and this Policy outlines the overarching approach to Risk Management. This Policy is supported by other approved policies, protocols and procedures.

2. DEFINITION

Risk Management is the way that the Council responds to uncertainty in both the internal and external environment. Having a policy for risk management allows the Council to:

a) Identify risks in the context of corporate objectives.
b) Assess risks to determine and develop actions and controls to manage risks.
c) Communicate with all stakeholders its process for identifying and managing risk.

3. POLICY STATEMENT

Penrith Town Council recognises that it has a responsibility to manage risks, both internal and external, and is therefore committed to the implementation of a risk management policy to protect the Council.

The Town Council recognises that Risk management is an essential part of effective corporate governance and that the Council has a statutory duty to have in place arrangements for managing risk as stated in the Account and Audit Regulations.

4. ASSESSING RISK

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. Risk management is part of the review and when completing The Annual Governance Statement for the external auditor, the Council is confirming the following assertion:

"***Assertion 5: Risk Management***
We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required."

To warrant a positive response to this assertion, the Council needs to have the following arrangements in place:

a) Identifying and assessing risks. The Council needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.

b) Addressing risks. Having identified, assessed and recorded the risks, the Council needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk which will include the use of internal controls and insurance cover.

5. RISK ASSESSMENT

Risk Assessment forms a key element as to how the Council assesses risk. The Council on an annual basis will review the following corporate risk assessments:

- Business Continuity
- Finance
- Fire
- Governance
- Information Technology and Website
- Lone Working
- Services and Assets

Furthermore, the Council reviews annually several its key policies and procedures to identify and manage risk. These include:

- The annual review of the corporate health and safety policy.
- The annual review of corporate risk assessments.
- The annual review of the procurement policy.
- The annual review of the internal control policy.
- The annual review of the corporate financial regulations.

The Council maintains a documented Governance and Finance Schedule that it monitors and manages across the year.

6. REVIEWING OUR RISK

The risk assessment template used to prepare the corporate risk assessments is the Health and Safety Executive corporate template.

Risk Assessments are a continual process and whilst they are reviewed annually, they are live documents which form an essential part of service delivery.

7. REPORTING OF RISKS

The risk assessments and supporting policies are reviewed annually by the Finance Committee.

8. PERSONS RESPONSIBLE FOR THE DELIVERY AND MONITORING OF THIS POLICY

Risk management is embedded in the everyday culture of the Council. The roles and responsibilities are set out below and are designed to ensure that risk is managed effectively:

Elected Members

Risk management is a key part of the Members role, where they lead on the monitoring, approval, review of the Risk Management Policy, Risk Assessments and associated policies.

Town Clerk

Is responsible for the oversight and management of the Council employees and the implementation of agreed policies. The Town Clerk will communicate with and provide advice to Elected Members on matters relating to Risk Management.

Services and Contracts Manager

Is responsible for Health and Safety Policy and the preparation and ongoing monitoring of the corporate risk assessments. This includes the inspection and monitoring of assets, the health and safety responsibilities for third party contractors and addressing the actions arising from the risk assessments.

Responsible Finance Officer

Is responsible for Section 151 of the Local Government Act 1972, the RFO manages the financial affairs of the Council, including reviewing the system of internal control and ensuring that the Council is adequately insured.

Employees

All employees have a duty responsibility to achieve a healthy and safe workplace, and to take reasonable care of themselves and others. Employees are required to report risk factors to managers and elected members as appropriate.

Internal Audit

Provides an important scrutiny role by carrying out audits to provide independent assurance to the Council that the necessary management systems are in place and that business risks are being managed effectively.

External Services

The Council has a range of external providers including external accountancy, IT and website support who manage, monitor and advise on risks as required. The Council will submit its accounts annually to an external auditor.

Adopted: September 2019