

Bodmin Town Council:

Risk Management Strategy Framework

TC- Meeting item number- 15

Meeting: Full Council, date- 20th January 2022

1.0. Introduction:

Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority's objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority's corporate governance arrangements and its ability to deliver its priorities.

1.1. Defining Risk:

The Audit Commission (2001) defined "risk" as an event or action which will adversely affect an organisation's ability to achieve its objectives, project plans and processes and to successfully execute its strategies. Therefore "risk management" is the process by which risks are identified, evaluated, and controlled

2.1. Governance:

Risk management process contributes to improved decision making and the achieving of objectives. When embedded within the existing planning and decision-making process, risk management provides a basis for ensuring implications are thought through, and ensures that the impact of decisions, initiatives and projects are considered, and that conflicts are balanced. This will influence success and improve service delivery.

Bodmin Town Council will implement its Risk Management Strategy in accordance with the current legislation governing local authorities and the associated JPAG codes of practice will be used for guidance. The strategy is managed by the Policy & Resource Committee and will be reviewed on an annual basis, in line with its corporate governance responsibilities. This review will form part of the year-end financial process and is part of the checks and balances that ensure that the council is managed in an effective, efficient, transparent, and safe manner.

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2.2. Risk Management Benefits:

- Protecting and adding value to the Council and its stakeholders by supporting the achievement of the Council's aims and objectives.
- Improved strategic, operational and financial management.
- Ensuring future activity takes place in a consistent and controlled manner.
- Improved decision making, planning and prioritisation.
- Mitigation of key threats and taking advantage of key opportunities.
- Contributing to more efficient use/allocation of resources.
- Protecting and enhancing assets and image.
- Optimising operational efficiency and therefore delivering efficiency gains and value for money.
- Allocating time and management effort to major issues.
- Safeguarding tangible and intangible assets.
- Promotion of innovation and change.
- Improved customer service delivery. It is therefore vital to recognise that risk management is not simply about health and safety but applies to all aspects of the Council's work.

2.3. Roles and Responsibilities:

It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place.

Those who best know the risks to a particular service are those responsible for it. The process must be driven from the top but must also involve staff throughout the organisation.

Elected Members – risk management is seen as a key part of the Elected Member's stewardship role and there is an expectation that Elected Members will lead and monitor the approach adopted. This will include:

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- Approval of the Risk Management Strategy.
- Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed.
- Consideration, and if appropriate, endorsement of the Annual Statement of Internal Control; and
- Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.

Senior Officers- will act as the risk champions for their areas of specialty, assisting with identifying all risks within their remit and the compilation of the Risk Register. They will manage risk effectively in their particular service areas or projects and report how threats and risks have been managed to the Town Clerk. This includes identifying, analysing, prioritising, monitoring, and reporting on service risks and any control actions taken.

Town Clerk/ Proper Officer to the Council – will act as the Lead Officer on Risk Management, overseeing the implementation of the detail of the Risk Management Strategy. The Clerk will:

- provide advice as to the legality of policy and service delivery choices.
- provide advice on the implications of potential service actions for the Council's corporate aims and objectives.
- update Council on the implications of new or revised legislation.
- assist in handling any litigation claims.
- provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury.
- advise on any health and safety implications of the chosen or proposed arrangements for service delivery; and
- report progress to Council via the Policy & Resources Committee

Responsible Finance Officer – as the Council's Section 151 Officer, will:

- work with the Town Clerk to assess and implement the Council's insurance requirements.

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- assess the financial implications of strategic policy options.
- provide assistance and advice on budgetary planning and control.
- ensure that the Financial Information System allows effective budgetary control; and • inform investment decisions made by the Council.

Employees – will undertake their job within risk management guidelines ensuring that the skills and knowledge passed to them are used effectively. All employees will maintain an awareness of the impact and costs of risks and how to feed data into the formal process. They will work to control risks or threats within their jobs, monitor progress and report on job related risks to their line manager.

The Internal Auditor – the Internal Auditor provides an important scrutiny role carrying out audits to provide independent assurance to the Audit Committee that the necessary risk management systems are in place and all significant business risks are being managed effectively. The Internal Auditor assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud. The Internal Audit Report, and any recommendations contained within it, will help to shape the Annual Statement of Internal Control.

Development of the Risk Management Strategy and compilation of the Risk Register will be undertaken by the Clerk and RFO.

Training:

Where appropriate risk management training will be provided to Elected Members, senior officers, and key staff via facilitated workshops. The aim will be to ensure that both Elected Members and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide

2.4. Review of Risk Management Strategy:

This Strategy will be reviewed on a regular basis as part of the Council's continuing review of its Policy Documents, Standing Orders and Financial

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Regulations. Recommendations for change will be reported to the Policy & Resources Committee.

- Feedback from Internal and External Audit can identify areas for improvement, as can the sharing of best practice via professional bodies such as the National Association of Local Councils and the Society of Local Council Clerks.
- The Clerk will present an annual report to the Policy & Resources Committee detailing progress on risk management over the year and providing a summary of the Risk Register and control assurance statements.

2.5. Alignment with other Policies of the Council:

This Risk Management Strategy should be read in conjunction with the following policies of the Council:

- Standing Orders
- Financial Regulations