



BRIXHAM TOWN COUNCIL

RISK MANAGEMENT POLICY

1. Introduction

Brixham 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 from avoidable losses.

2. Responsibilities

This policy places a responsibility on all Members and Officers to have regard for risk in carrying out their duties. Its purpose is to enable the Council to manage its risks through anticipation and control.

3. Definition

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**.

It is good business practice that risk management processes should be supportive rather than restrictive, and should be embedded in the culture of the Council and embraced by all Officers and Members.

- a) **Risk:** an event or action which will adversely affect an organisation’s ability to achieve its project plans or processes and thus to successfully execute its strategies
- b) **Risk Management:** the process, by which risks are identified, evaluated and controlled, which includes the following:
 - Improve the controls to reduce the probability or impact to acceptable limits (treat the risk)
 - Insure against risk / outsource / design & build option for contracts (transfer the risk)
 - Live with it, the risk is acceptable and additional controls would not be cost-effective (tolerate the risk)
 - Do not pursue the course of action, the risk is unacceptable and cannot be economically mitigated to an acceptable level (terminate the risk)

4. Aims

The Council’s aims with respect to risk management are as follows:

- a) To integrate risk management into the culture of the Council.
- b) To raise awareness of the scope of risk management including business risk, the identification of opportunities as well as threats and that the process supports innovation.
- c) To manage risk in accordance with best practice.
- d) To minimise losses, injury and damage and reduce the cost of risk.

- e) To ensure appropriate actions are taken to address identified risks.
- f) To ensure that risks are monitored and that an appropriate reporting mechanism exists to support the annual assurance statement on the effectiveness of the Councils' system of internal control.
- g) To ensure appropriate actions are taken to identify and pursue opportunities.

Brixham Town Council will review and assess the impact of potential events upon the Council's activities and implement:

- Emergency plans and contingency arrangements
- Disaster recovery and business continuity plans

The co-operation of all Members and Officers is essential to ensure the Council's resources and service provision are not adversely affected by uncontrolled risk, to ensure the Council does not fail to seize opportunities which benefit the community.

6. Objectives

The objectives of this strategy are:

- to clearly identify roles and responsibilities for managing risk
- to follow a structured framework for the identification, assessment and evaluation of risks
- to ensure a corporate approach is adopted across the Council which facilitates the prioritisation of risks and avoids duplication of mitigating action
- to ensure risk management principles are embedded in all systems and processes to help demonstrate openness, integrity and accountability in all the Council's activities
- to ensure the risk management process contributes to the development of a more robust internal control framework, providing assurance to Council Officers and Members that appropriate levels of control exist, and
- to provide a framework for ensuring actions are proportionate to identified risks thereby efficiently and effectively utilising resources and maintaining a balance between risks and controls.

7. Categories of Risk

We will identify the risk of loss to:

- Property / Assets
- Income
- Employees
- The general public
- Customers
- Services and Business Opportunities
- Reputation

7. Relevant Legislation

Brixham Town Council will implement its Risk Management Policy in accordance with the current legislation governing local authorities and the associated codes of practice.