

Witham Town Council : Risk Management Policy

This policy should be read in conjunction with the Risk Register, Statement of Internal Control, Standing Orders, Financial Regulations and other relevant Council policies and procedures

Overview

Risk is inherent in all Council activities and is defined, for the purposes of this policy, as the possibility of injury, loss or damage, or an inability to meet the Council's objectives or provide its services as a result of an action or event.

Risk management is an essential part of the Council's governance framework and supports the efficient, effective and compliant use of public resources. The Council has a statutory duty under the Accounts and Audit Regulations 2015 to ensure a sound system of internal control, including arrangements for the management of risk.

This policy is designed to set out the framework through which risks are identified, assessed, managed and reviewed, and how this links to the Council's Risk Register and decision-making processes.

Categories of Risk

The main categories of risk considered by the Council include:

- Strategic risk – long-term adverse impacts from poor decision-making or poor implementation, including damage to reputation, loss of public confidence or, in extreme cases, government intervention.
- Compliance risk – failure to comply with legislation, statutory guidance, Council policies or procedures, or failure to maintain sufficient documentation to demonstrate compliance.
- Financial risk – fraud, corruption, waste, inadequate records, excess demand for services, bad debts, insufficient precept, or failure to secure value for money, leading to financial loss or impact on reserves and service delivery.
- Operational risk – failure to deliver services effectively, malfunctioning equipment, hazards to service users, the public or staff, and damage to property, leading to disruption and potential claims.
- Reputational risk – adverse publicity, social media criticism or stakeholder dissatisfaction that may undermine confidence in the Council and its services.
- Information and data risk – loss, misuse or unauthorised disclosure of information, including non-compliance with UK GDPR and the Data Protection Act 2018.

This list is not exhaustive and new or emerging risks may be identified and added to the Risk Register at any time.

Aims of the Policy

This Policy aims to:

- Embed a consistent and proportionate approach to risk management across all Council activities.
- Ensure that significant risks to the achievement of the Council's objectives are identified, assessed and recorded in the Risk Register.
- Ensure that appropriate controls and mitigating actions are put in place, monitored and reviewed.
- Support informed decision-making by providing elected members with clear information about key risks and their potential impact.
- Assist the Council to meet its statutory duties and support the completion of the Annual Governance and Accountability Return (AGAR), in particular the assertions relating to internal control and risk management.

Risk Management Framework

The Council maintains a Risk Register covering Financial, Council Management, Assets, Events and other key areas of activity. The Register sets out, for each risk:

- A description of the risk and the subject area.
- The officer or member responsible.
- The management and controls in place.
- The review frequency and any further action required.
- The residual impact and likelihood scores once controls are applied.

The Risk Assessment process involves:

- Identifying risk – considering what could go wrong in relation to services, projects, assets, events, information and statutory obligations, using experience, guidance, data and consultation with staff, contractors and partners.
- Evaluating risk – assessing impact and likelihood on a scale of 1–10, where 1 is low and 10 is high, and assigning a residual score once existing controls are taken into account. Areas where impact is above 5 are treated as medium or high risk, particularly where likelihood is also above 5.
- Addressing risk – deciding on appropriate controls or actions, which may include introducing or strengthening procedures, training, inspections, insurance, authorisation levels, segregation of duties or, where necessary, ceasing an activity.
- Reviewing risk – updating the Risk Register in line with the review frequencies recorded and when there are changes in activities, legislation, projects or assets.

Dynamic risk assessments may be used for events and activities where circumstances change on the day, and any significant changes or learning points should be reflected in the Risk Register and relevant procedures after the event.

Insurance

The Council maintains insurance cover that reflects the risks identified through the Risk Register and risk assessment processes. Core areas of cover include:

- Material damage to specified items and buildings
- Business interruption
- Loss of money
- Public Liability
- Employer's Liability
- Hirer's Liability
- Fraud
- Legal expenses
- Vehicles
- Cyber and data risks where appropriate.

Insurance arrangements are reviewed at least annually and quotations are obtained periodically to ensure that cover remains adequate and provides value for money. Insurance schedules are cross-checked against the Risk Register to confirm that relevant insurable risks are included

Roles and Responsibilities

Councillors

Councillors provide strategic leadership for risk management and ensure that risk is considered in decision-making. Responsibilities include:

- Approving this Risk Management Policy and reviewing it at least annually.
- Considering key risks and mitigating actions in reports on major projects and decisions.
- Reviewing financial risks and related entries in the Risk Register at least every six months.
- Reviewing and approving the full Risk Register annually.
- Taking risk into account when setting the budget and medium-term financial plans.
- Confirming through the AGAR that an assessment of risks has been carried out and that appropriate measures are in place to manage those risks.

Town Clerk and Responsible Finance Officer (RFO)

The Town Clerk and RFO have lead responsibility for co-ordinating risk management activity and ensuring day-to-day compliance with laws and regulations affecting the Council.

Responsibilities include:

- Maintaining and updating the Risk Register, including adding new risks and closing or amending existing risks as controls change.

- Ensuring that appropriate policies, procedures, financial regulations and internal controls are in place and reviewed on a regular basis.
- Ensuring that officers and volunteers are aware of their responsibilities for managing and reporting risk.
- Ensuring that significant risks and control issues are reported to the relevant committee and to Full Council as necessary.

Officers and Volunteers

All officers and volunteers are expected to carry out their duties in line with Council policies and procedures and to contribute to the effective management of risk. This includes:

- Following risk assessments, safe systems of work, and relevant guidance.
- Maintaining an awareness of the risks associated with their roles and reporting concerns or emerging risks to their line manager.
- Participating in training and development where required to manage risks effectively.

Contractors

Contractors engaged by the Council are required to:

- Provide appropriate risk assessments and method statements for their work.
- Hold and provide evidence of adequate insurance cover.
- Comply with relevant health and safety requirements and any site-specific controls identified by the Council.

Internal and External Audit

The Internal Auditor provides independent assurance on the adequacy and effectiveness of the Council's internal control environment, including its risk management arrangements. The External Auditor provides a further level of assurance through the review of the AGAR and related financial and governance information.

Review of Effectiveness

The Council is responsible for conducting an annual review of the effectiveness of its system of internal control and risk management, in line with the Accounts and Audit Regulations 2015 and sector guidance. This review takes into account:

- The Risk Register and the number and nature of significant issues identified during the year.
- Reports and minutes from the Financial Scrutiny Panel, committees and Full Council.
- Reports from the Town Clerk/RFO on risk and internal control matters.
- Internal Audit reports.
- External Audit reports and recommendations.

The outcomes of the annual review, including any required improvements to controls, are reported to Full Council prior to approval of the Annual Governance Statement.

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Policy Reviewed: November 2027

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