



Adopted by Finance and Administration Committee on: 11th March 2025

Review Date: February 2027

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Version: One

RISK MANAGEMENT POLICY

1.0 Policy Outline

1.1 This policy sets out how Kingswood Town Council manages risk via a Risk Management Strategy and Risk Register, to protect its employees, assets, liabilities, reputation and community against potential losses. Kingswood Town Council recognises that it has a responsibility to manage risk, both internal and external, and is committed to the implementation of a risk management strategy to protect the council.

2.0 Policy Purpose

2.1 The purpose of the Risk Management Policy is to ensure that Kingswood Town Council is fully aware of its risks and has in place a strategy that provides a structured, systematic and focussed approach to managing risk through anticipation and control.

3.0 Review Statement

3.1 This policy has been prepared considering prevailing legislation and recognised good practice. New legislation requirements or changes in current legislation may necessitate the review of this policy document. It is the employee's responsibility to ensure that the copy of the policy being referred to is the most up-to-date version. This policy will be reviewed every three years. The Risk Management Strategy will be reviewed on an annual basis and the Risk Register will be reviewed on a continuing basis.

4.0 Equality

4.1 In putting the procedure into practice, no aspect of the procedure will discriminate on the grounds of race, sex, sexual orientation, gender reassignment, age, religion, politics, marital status, disability, politics, caste and/or union membership or any other grounds likely to place any particular employee at a disadvantage.

5.0 Governance

5.1 Kingswood Town Council will implement its Risk Management Policy and Strategy in accordance with the current legislation governing local authorities and the associated codes of practice. The strategy is managed by the Finance and Administration 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.

6.0 Responsibilities

6.1 It is important that Risk Management becomes embedded into the everyday culture and performance management process of the council. The roles and responsibilities are laid down in the Risk Management Strategy. However, this policy places a responsibility on all Councillors and Officers to have regard for risk in carrying out their duties.

7.0 Definition of Risk

7.1 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.

8.0 Definition of Risk Management

8.1 Risk Management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety, but applies to all aspects of the Council’s work.

8.2 Risk Management is the process by which risks are identified, evaluated and controlled, which includes the following approaches:

- Treat the Risk - Improve the controls to reduce the probability or impact to acceptable limits
- Transfer the Risk - Insure against risk / outsource / design & build option for contracts
- Tolerate the Risk - Live with it, the risk is acceptable and additional controls would not be cost-effective
- Terminate the Risk - Do not pursue the course of action, the risk is unacceptable and cannot be economically mitigated to an acceptable level

9.0 Types of Risk

9.1 Risks can be broken down into the following categories and are managed through the council’s Risk Management Strategy and in conjunction with the Risk Register and a Medium Term Financial Plan.

Strategic:

- Political
- Economic
- Social
- Technological
- Legislative

- Environmental
- Competitive

Operational:

- Professional
- Financial
- Legal
- Physical
- Contractual
- Technological
- Environmental

10.0 Monitoring

10.1 The Risk Management Strategy is an evolving and ongoing process. The effectiveness of controlling risk must be reviewed and monitored. It is also important to assess whether the nature of any risk has changed over time. The information generated from applying the Risk Management Strategy will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover.

End