

**AYLSHAM TOWN COUNCIL
RISK MANAGEMENT POLICY**

1. Introduction - Risk management is a process whereby local councils methodically address the risks associated with what they do and the services they provide. The objective of risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences. Risk management is not just about financial management; it is about achieving the objectives of the organisation to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and eventually, the community's Council Tax bills. Aylsham 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 strategy 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 staff and Members.

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.

These aims will be achieved through the Council's Health and Safety Management System and Financial Risk Assessments. These documents detail the roles, responsibilities and actions necessary for successful implementation. 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.

Adopted by Aylsham Town Council 14th May 2019

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To be Reviewed May 2021