



## **GILLINGHAM TOWN COUNCIL**

The Town Hall, School Road, Gillingham, Dorset SP8 4QR

# **RISK MANAGEMENT STRATEGY**

## **1. Risk Management Policy Statement**

Gillingham Town Council recognises that, in addition to its statutory duties, it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses and to minimise uncertainty.

The Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

Risk management is an integral part of the Council's management processes.

The Guidance of Governance and Accountability for Local Councils in England (published by the Joint Practitioners' Advisory Group) makes the following observations regarding risk management:

- Risk management is not just about financial management it is about ensuring the achievement of objectives set by the council to deliver high quality public services; and,
- the local council audit approach seeks to encourage local councils to address these issues by placing emphasis on the need to keep under review and, if need be, to strengthen their own corporate governance arrangements, thereby improving their stewardship of public funds and providing positive and continuing assurance to taxpayers.

## **2. Objectives**

**The objectives of the Town Council's Risk Management Strategy are to:**

- Integrate risk management into the culture of the Council.
- Identify risks.
- Manage risk in accordance with best practice.
- Consider and respond to changing social environmental and legislative requirements.
- Put in controls to minimise risk.

**These objectives will be achieved by:**

- Establishing clear roles and responsibilities.
- Awareness and training as appropriate.
- Consideration of risk management when dealing with new projects.
- Monitoring.

**3. Categories**

Risks have been put into the following categories:

- Financial.
- Legal.
- Technological.
- Environmental.
- Sites and Assets.
- Human Resources.

**4. Risk Identification**

Assessments have been prepared based on the risk management document reviewed by Full Council on an annual basis. These are shown in the Risk Register at Appendix A of this document.

**5. Risk Control**

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action may be required to reduce the risk to an acceptable level.

Options for control include:

- **Elimination** – The circumstances from which the risk arises are removed so that the risk no longer exists;
- **Reduction** – Loss control measures are implemented to reduce the impact/likelihood of the risk occurring;
- **Transfer** – The financial impact is passed to others e.g. by revising contractual terms;
- **Sharing** – The risk is shared with another party;
- **Insuring** – Insure against some or all of the risk to mitigate financial impact; and
- **Acceptance** – Documenting a conscious decision after assessment of areas where the Town Council accepts or tolerates risk.

## 6. Risk Monitoring

The risk management process does not finish with putting risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time. Risk Management will be reviewed annually by Full Council.

The information generated from applying the risk management process 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 and the balance to be reached between self-insurance and external protection.

## 7. Risk Management System

RISK / PRIORITY INICATOR MATRIX						
LIKELIHOOD	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		SEVERITY (CONSEQUENCE)				

Summary		Suggested Timeframe
12-25	High	As soon as possible
6-11	Medium	Within next 3-6 months
1-5	Low	Whenever viable to do so

The scores for impact and likelihood are scored as above and multiplied to arrive at the rating. Risks scoring 12 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

Risks rated as green (1 to 5) are reasonably acceptable to the Council. It is unlikely that further additional measures are required to control these risks. However, the risk will remain monitored as part of the risk management.

Risks rated as amber are reasonably acceptable to the Council. However, further additional measures may be needed to treat (i.e. control) the risks and so reduce exposure or to consider risk transfer e.g. insurance or a contractual arrangement. The Council must be periodically advised of amber risks and the action planned and /or taken to control them.

Risks rated as red are not acceptable to the Council. Immediate action is required to bring the risk down to a lower category risk or, if this is not possible or desired, to terminate the activity that creates the risk. The Council must be immediately advised of red risks and regularly updated on the action planned and taken to control them until they are within the spectrum of reasonably acceptable risk for the Council. Any action taken must be in accordance with the Council's Standing Orders and Financial Regulations.

## **8. Roles and Responsibilities**

- 8.1 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. The process must be driven from the top but must also involve staff throughout the organisation.
- 8.2 **Councillors** – Risk management is seen as a key part of councillors' stewardship role and there is an expectation that Councillors will lead and monitor the approach adopted, including the approval of the Risk Management Strategy and Risk Register.
- 8.3 **Employees** – will undertake their job within risk management guidelines ensuring that their skills, experience and knowledge are used effectively. All employees will maintain an awareness of the impact and costs of risks and how to feed information into the formal process. They will work to control risks or threats within their roles, monitor progress and report on task related risks to their line manager or the Town Clerk.
- 8.4 **Town Clerk** – will act as the lead officer on risk management, assisted by the Assistant Town Clerk, Responsible Financial Officer and Works Manager, and be responsible for overseeing the implementation of the Risk Management Strategy.
- 8.5 **Role of Internal Audit** – Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit 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.

Internal Audit reports, and any recommendations contained within, will help to shape the Annual Governance Statement.

- 8.6 **Full Council** – Review and future development of the Risk Management Strategy and Risk Register will be overseen by the Full Council.
- 8.7 **Training** – The aim will be to ensure that both staff and councillors have the skills necessary to identify, evaluate and control the risks associated with the services they provide. Risk Management training and development will be provided through a range of methods such as workshops, literature and in-house service familiarisation.
- 8.8 In addition to the roles and responsibilities set out above, the Council is keen to promote an environment within which individuals and groups are encouraged to report adverse incidents promptly and openly.

## 9. **Conclusion**

The adoption of a sound risk management approach should achieve many benefits for the Council. It will assist in demonstrating that the Town Council is committed to continuous service improvement and effective corporate governance.

## 10. **Review**

This Risk Management Strategy, was reviewed by the Town Clerk and presented to Full Council held on 26 February 2024, for approval and adoption, Minute no. 1263.

## 11. **Reference**

The Local Audit and Accountability Act 2014. Website [Here](#)

National Association of Local Councils (NALC). Website: [Here](#)

The Joint Panel on Accountability and Governance (JPAG). Website [Here](#)

Signed by  
The Mayor of Gillingham:

Date: