

Cyngor Cymuned **BODORGAN** Community Council

Risk Policy 2018-21

Background

Bodorgan Community Council recognises the potential for events and consequences to impact both positively and adversely on its objectives and activities. The Council defines such events or consequences as risks and considers effective management of risk is a key part of its responsibilities.

The purpose of this policy is to:

- set out the Council's approach to risk
- describe the method by which the Council assesses risk
- explain the process by which the Council identifies risks and their potential consequences
- explain how the Council seeks to mitigate identified risks

Risk Identification

Every year the Council will discuss the risks it believes that are present in discharging its responsibilities. Councillors will list risks and collectively classify them according to their probability of occurrence and severity of impact.

Although a more sophisticated framework could be adopted to separately assess risk probability and impact the Council will utilise a simple three point scale to assess the combined effect of both probability and impact and will rate each risk as High, Medium, and Low. This reflects the scale of both the Council's responsibilities and the potential risks that it faces.

Risk Controls

For each risk the Council will identify existing controls that are in place and which impact on the identified risk. The Council will then identify such additional controls as it deems necessary so as to further reduce the risk – either within the same risk rating (High, Medium or Low) or so as to reduce the rating to a lower category (e.g. Medium to Low).

Risk Register

The Council will record the results of risks in a Risk Register. The register will record the assessment of risks, existing and proposed control measures and the Council's preferred strategy for dealing with identified risks.

Risk Appetite

While there are some risks the Council is willing to tolerate, there are specific risks the Council will not accept. These include any course of action that will contribute to or could reasonably be anticipated to contribute to the following occurrences:

- permanent injury or death to any of our residents, employees, Councillors or members of the general public;
- a prolonged loss or disruption to service for which we have responsibility to a significant number of our residents;
- any decision which would represent a significant departure from our annual budget;
- any breach of the law;
- breach of regulation which could lead to intervention and/or sanction;
- irreparable damage to the Council's reputation;

Insurance

The Council will maintain sufficient insurance cover to address the risks of injury to persons, theft and Fraud.

This policy was adopted by the Council on the 19th September 2017 and will be immediately be reviewed in the event of a significant occurrence, and in any event at the Council meeting in March 2019.

Due to the need for a further Internal Audit, this policy was reviewed by a designated Finance sub-committee on the 13th August 2018 and they recommend that it be adopted by the Council and next reviewed by March 2021.