

BURGESS HILL TOWN COUNCIL
RISK MANAGEMENT PROCESS

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SECTION 1 SCOPE AND CONTEXT

1.1 Fiduciary Duty

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically and efficiently.

As part of the system of internal control, the Council's Risk Management Process is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The Risk Management Process is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically and produce a balanced and proportionate response.

1.2 Identification of Risk

The identification of risks is not limited just to any formal process of risk assessment but also relates to everyday working situations where a new risk that needs to be formerly recorded may be identified.

1.3 Responsibility, Reporting Lines and Training

1.3.1 Responsibility and Reporting Lines

As part of managing risk, the Town Council recognises the employer and all employees must play their role in the process, however, to ensure that risks identified are managed appropriately, the existing management structure currently in-place is deemed to be adequate, this is shown below. In addition, a formal Risk Register is maintained and is presented to Council on an annual basis.

Management Structure

- Council/Committees
 - Chief Executive Officer
 - Management Team (Collectively)
 - Line Managers (Individual Management Team members)
 - Staff meetings
 - Individual Members of Staff

1.3.2 Training

All employees are given an overview of the Risk Management Process either through general seminars or at the beginning of their employment with the Council. Specific training will be conducted for those operatives directly involved in the identification and assessment process.

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1.4 Core Categories of Risks

To assist Management in the reporting and control of risks identified, an agreed categorisation of risks has been introduced, these are detailed below. Some risks may fall across more than one category;

1.4.1 Health & Safety (HS)

Where an identified risk could lead to harm either to individuals (public, staff, supplier, partner organisations etc) or property.

1.4.2 Financial/Compliance Risks (FC)

Financial risks arise from the financial structure of the organisation, control over transactions with third parties and the financial systems that are in-place.

Compliance risks arise from the failure of the organisation to comply with core legislative and good-practice regulations, this would include, but not limited to, the following areas:

- Audit commission
- DCLG (Department of Community & Local Government)
- H&S
- DDA
- Race / Religion / Sex / Age discrimination laws

1.4.3 Reputation/Publicity (RP)

Where an identified risk could lead to adverse publicity for the Town Council leading to a loss of reputation.

1.4.4 Litigation (LT)

Where an identified risk could lead to civil or criminal legal action being taken against either the Town Council and/or Town Council officers.

1.4.5 Service Quality/Delivery (SQ)

Where an identified risk could lead to an unacceptable reduction in the quality and/or delivery of a service to all 3rd parties (residents, general public, councillors, partner organisations etc).

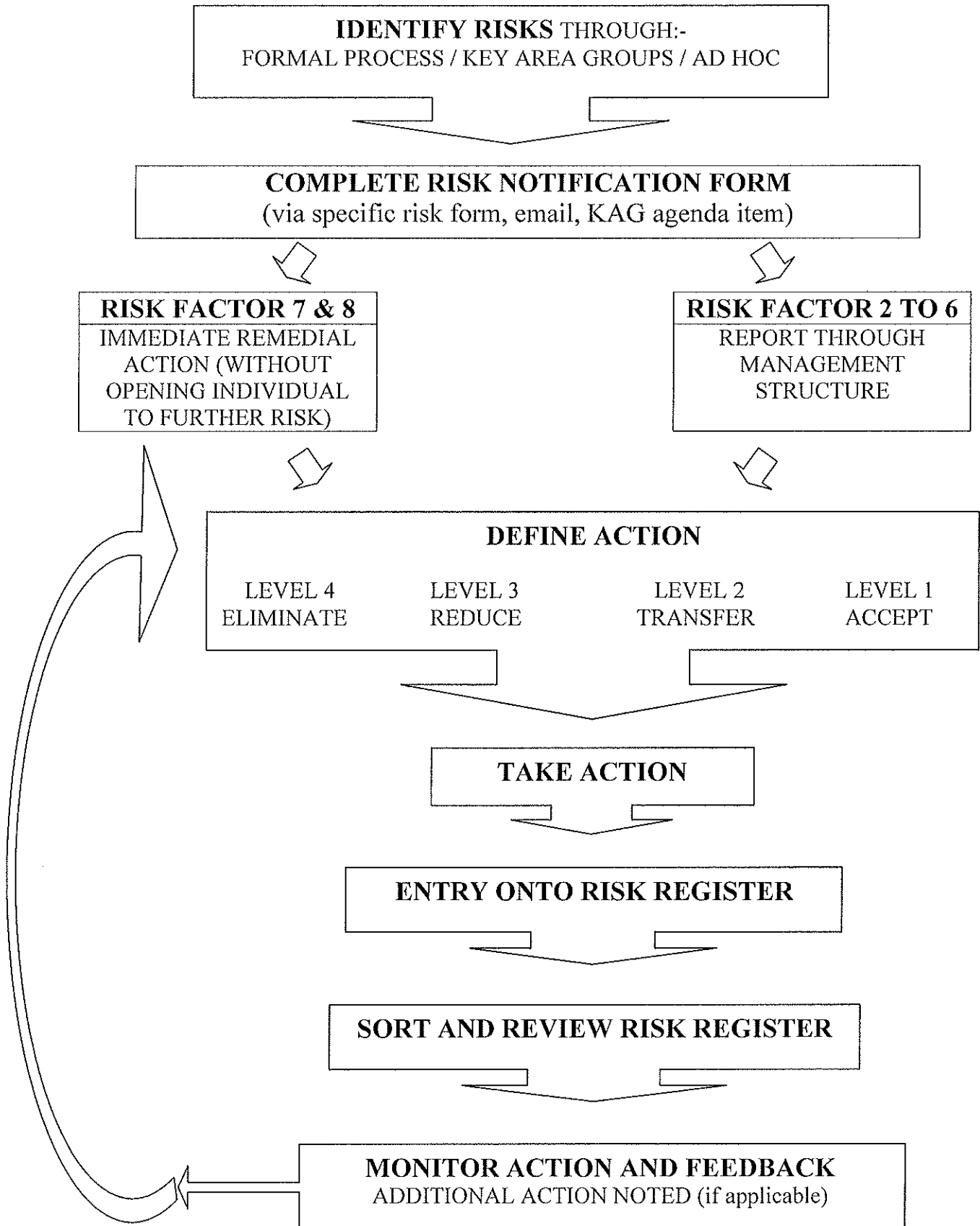
1.4.6 Environment (EN)

Where an identified risk could lead to an unacceptable impact on the environment.

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SECTION 2 THE RISK MANAGEMENT PROCESS

FLOW DIAGRAM



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SECTION 2 THE RISK MANAGEMENT PROCESS

2.1 Identify Risks

Each manager and their respective teams/departments are responsible for their individual areas of control and will look first to *identify* the risks. The process of risk identification will ordinarily be through a formal process of planned inspections, issues raised through Key Area Group meetings or ad-hoc requests or risks being noted through everyday working situations.

2.2 Assign Risk Factor

On the identification of a Risk the individual will assign a Risk Factor (2 to 8), this is calculated by:

Step 1. Decide the *Likelihood* of the risk happening by assigning a score 1 to 4,

Likelihood 4 (High - imminent) to 1 (Low - unlikely)

Step 2. Decide the *Severity* of the risk by assigning a score 1 to 4,

Severity 4 (High*) to 1 (Low**)

* Danger to life / significant financial costs (£5,000+)

** No danger to life / limited financial implication (<£250)

Step 3. Add the *Likelihood* and *Severity* scores together,

Step 4. Complete the Risk Notification Form (which may be supplemented by use of the “Weekly” and “Bi-Weekly” Site Safety Inspection reports),

Step 5. It is recognised that individual risks may not necessarily be able to wait until a formal response of action has been agreed by Management, guidelines to assist staff in assessing appropriate action are given below:

RISK FACTOR TABLE

Risk Factor	Action
7 & 8	<ul style="list-style-type: none"> • Immediate notification to Line Manager and, if appropriate, the Chief Executive Officer. • Where possible, take immediate remedial action. • Where appropriate, post event notification to Chief Executive Officer, Management Team and Council and/or Committees.
5 & 6	<ul style="list-style-type: none"> • Immediate notification to Line Manager. • Where appropriate, post notification to Chief Executive Officer, Management Team and Council and/or Committees.
4	<ul style="list-style-type: none"> • Notification to Line Manager. • Where appropriate, post notification to Chief Executive Officer, Management Team and Council and/or Committees.
2 & 3	<ul style="list-style-type: none"> • Where appropriate, notification to Line Manager.

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All completed Risk Notification Forms are seen by the appropriate Line Manager prior to being entered on the Risk Register by the RFO.

Non-budgeted costs of £5,000 and over will be reported to Council and the Chairman's group at the earliest opportunity.

An example of a completed Risk Notification Form is shown on page 7 of this document.

2.3 Prioritise Risks

Each risk is entered on the Risk Register and given a unique identifier. The Risk Register is prioritised by Risk Factor and reviewed periodically at Management meetings. A summary Risk Register is presented to Council on an annual basis.

2.4 Define Appropriate Action/Procedures for Risks Identified

All risks identified, including those that may have already been resolved prior to any periodic review, are entered onto the Risk Register. The periodic review (by Management) will assess any future actions or required changes in procedures and will generally be guided by the following levels of response:-

- Accept the risk – Level 1
- Transfer (to insurance, 3rd party) - Level 2
- Reduce to acceptable level via management of the risk – Level 3
- Eliminate – Level 4

2.5 Take Action

Having evaluated and agreed appropriate actions and procedures to meet the agreed level of response, these measures are put in-place.

2.6 Monitor Actions Taken and Feed Results Back into the Process

Each measure, where appropriate, will have a defined reporting timescale, whereby, at an agreed time, the effect of the measure will be monitored to see if it is still adequate. The results of this monitoring will define any further actions that may be required.

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RISK NOTIFICATION FORM

DATE RISK IDENTIFIED:	THIS FORM RAISED BY:
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DESCRIPTION OF RISK

DESCRIPTION OF IMPACT

A/ LIKELIHOOD OF RISK HAPPENING: 4 (High - imminent) to 1 (Low - unlikely)	B/ SEVERITY OF RISK 4 (High*) to 1 (Low**)	RISK FACTOR A + B
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SEVERITY GUIDE
* Danger to life and/or significant financial costs (£5,000+)
** No danger to life and/or limited financial implication (<£250)

ALL RISK FACTORS OF 7 & 8 MUST BE NOTIFIED IMMEDIATELY TO YOUR LINE MANAGER, AND WHERE POSSIBLE, TAKE IMMEDIATE REMEDIAL ACTION IF THIS DOES NOT OPEN YOURSELF OR OTHERS TO FURTHER RISK.

ALL RISK FACTORS OF 5 & 6 MUST BE NOTIFIED IMMEDIATELY TO YOUR LINE MANAGER.

ALL RISK FACTORS OF 4 MUST BE NOTIFIED TO YOUR LINE MANAGER IN DUE COURSE.

DISCRETION ON NOTIFICATION TO LINE MANAGER CAN BE TAKEN ON RISK FACTORS OF 2 & 3.

WHAT CURRENT CONTROLS ARE IN-PLACE? (if applicable)

SUGGESTIONS FOR NEW ACTIONS/PROCEDURES
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Line Manager:	Chief Executive Officer (if appropriate):	RFO Risk ID:
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BURGESS HILL TOWN COUNCIL
RISK MANAGEMENT PROCESS
RISK NOTIFICATION FORM

DATE RISK IDENTIFIED: 11/08/06	THIS FORM RAISED BY: GF
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DESCRIPTION OF RISK Leaving unattended open vehicles (trucks) on the street.
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DESCRIPTION OF IMPACT Theft from vehicles.
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A/ LIKELIHOOD OF RISK HAPPENING: 4 (High - imminent) to 1 (Low - unlikely)	B/ SEVERITY OF RISK 4 (High*) to 1 (Low**)	RISK FACTOR A + B
4	2	6

SEVERITY GUIDE * 4/ High - Danger to life and/or significant financial costs (£5,000+) ** 1/ Low - No danger to life and/or limited financial implication (<£250)
--

ALL RISK FACTORS OF 7 & 8 MUST BE NOTIFIED IMMEDIATELY TO YOUR LINE MANAGER, AND WHERE POSSIBLE, TAKE IMMEDIATE REMEDIAL ACTION IF THIS DOES NOT OPEN YOURSELF OR OTHERS TO FURTHER RISK.

ALL RISK FACTORS OF 5 & 6 MUST BE NOTIFIED IMMEDIATELY TO YOUR LINE MANAGER.

ALL RISK FACTORS OF 4 MUST BE NOTIFIED TO YOUR LINE MANAGER IN DUE COURSE.

DISCRETION ON NOTIFICATION TO LINE MANAGER CAN BE TAKEN ON RISK FACTORS OF 2 & 3.

WHAT CURRENT CONTROLS ARE IN-PLACE? (if applicable) None.

SUGGESTIONS FOR NEW ACTIONS/PROCEDURES <ul style="list-style-type: none"> ▪ Lockable boxes to store high value items. ▪ Chains and padlocks to secure items to vehicle.
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Line Manager:	Chief Executive Officer (if appropriate):	RFO Risk ID: FCI
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