

Hinton Parish Council

Telephone 07837924285
Email: clerk2hintonpc@hotmail.com

RISK MANAGEMENT POLICY

AdoptedJuly 2015.....

Risk Management Policy

Hinton Parish Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. Any action that is felt necessary will be taken up by Hinton Parish Council.

The Clerk will review all risks on a regular basis, including any newly identified risks, and will report to the Parish Council. The review will include identification of any unacceptable levels of risk. The Local Councils Governance and Accountability Guidance make the following observations regarding risk management.

1. Risk management is not just about financial management; it is about setting objectives and achieving them in order to deliver high quality public services.
2. The new approach places emphasis on local councils, strengthening their own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers.

It goes on to make the point that Members are ultimately responsible for risk management because risk threatens the achievement of policy objectives. Members should, therefore –

- a. take steps to identify risks facing the Council
- b. evaluate the potential consequences to the Council if an event identified as a risk takes place
- c. decide upon appropriate measures to avoid, reduce or control the risk or its consequences

To identify the risks facing a council, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken into the following areas:-

- i. Areas where there may be scope to use insurance to help manage risk
- ii. Areas where there may be scope to work with others to help manage risk
- iii. Areas where there may be need for self-managed risk.

SECTION 1

AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK

1A RISK IDENTIFICATION

- a. **Protection of physical assets, e.g. buildings, furniture, equipment and regalia.**

All physical assets are insured with AON Local Council insurance
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b. Risk of damage to third party property or individuals as a result of the Parish Council providing services or amenities to the public.

Hinton Parish Council has a Public Liability Insurance of £ 10,000,000. It has also personal accident liability cover for employees, members and volunteers under the above policy

c. Risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)

Included in insurance policy cover

d. Loss of cash through theft or dishonesty (fidelity guarantee)

The Council has Fidelity Guarantee cover up to £250,000 for both members and employees

e. Legal Liability as a consequence of asset ownership (public liability)

See b. above

1B INTERNAL CONTROLS

a. Maintain an up-to-date register of Assets and Investments

An Asset Register is compiled annually by the Responsible Financial Officer and presented to the Council with Annual Accounts each year end.

b. Regular maintenance of physical assets

Members undertake regular inspection of sites and equipment. Playground equipment is checked annually by an independent playground inspector.

c. Annual Review of risk and the adequacy of insurance cover

The Responsible Financial officer reviews the insurance cover annually, makes recommendations, as necessary to the Council and updates cover as required.

1C INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Internal Controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to the Council.

b. Review of management arrangements regarding insurance cover

This forms part of the Council review at time of annual renewal

c. Testing of specific internal controls and reporting findings to management

This is undertaken as part of the audit process. Reports are presented to the Council and are recorded in the minutes where necessary.

SECTION 2

AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

2A RISK IDENTIFICATION

a. Banking Services

Reviewed periodically by the Council; All cheques require two authorised Members' signatures. The Internal Auditor and council review all payments.

b. Provision of amenities for local community groups

The Council allows the use of the Recreational Facility to local community groups. A letting agreement is signed by both parties, which advises the groups that they have to provide their own public liability insurance cover.

c. Professional services, contractors etc.

The Council will ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires. Any professionals whose services it uses are well established and often selected on recommendation. Ideally a short list of three is drawn up.

2B INTERNAL CONTROLS

a. Standing Orders and Financial Regulations dealing with the award of contracts for services or the purchase of capital equipment.

The Council has Financial Regulations that govern the awarding of contracts. These were last reviewed in March 2015.

b. Clear Statement of management responsibility for each service

Committees have delegated management responsibility/powers

c. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and are seen by the Clerk (RFO) and the councillor responsible for Internal Control. (Chair of Finance committee) A set of accounts is presented to full council annually.

d. Arrangements to detect and deter fraud and/or corruption

Invoices are subjected to scrutiny by the RFO, Internal Auditor, Finance Committee and cheque signatories

2C *INTERNAL AUDIT ASSURANCE*

a. **Review of internal controls in place and their documentation**

Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to the Council.

b. **Review of minutes to ensure legal powers are available on the basis of the powers recorded and correctly applied.**

The Clerk undertakes to ensure that the Council does not act ‘Ultra Vires’ when a decision is taken. It is recorded if the Council decides against the Clerk’s advice. Where appropriate, legal powers bestowed on the Council will be recorded in the minutes against decision taken. The minutes of meetings are also reviewed during the audit process.

c. **Review and testing of arrangements to prevent and detect fraud and corruption**

The use of Standing orders, internal controls and consideration by Council are all methods which contribute to prevent and deter fraud and corruption

d. **Review of adequacy of insurance cover provided by suppliers**

Any contractors working for Hinton Parish Council are asked for proof of insurance cover

e. **Testing of specific internal controls and report findings to management**

This is undertaken as part of the audit process. Reports are presented to the full council and are recorded in the minutes where necessary

SECTION 3

AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

3A RISK IDENTIFICATION

a. **Keeping proper financial records in accordance with statutory obligations**

Financial records kept in accordance with the statutory requirement fall with the responsibility of the RFO and are reviewed as part of the Audit process

b. **Ensuring all business activities are within legal powers applicable to Parish Councils**

See section 2 Internal Audit Assurance (b)

c. **Complying with restrictions on borrowing**

The council’s compliance with restrictions on current borrowing is reviewed as part of the audit process

d. Ensuring that all requirements are met under employment law and Her Majesty's Revenue and Customs

Salary forecasts are undertaken as part of the budget setting process and incremental increases are discussed by the staffing committee and recommend to the full council for adoption. The Clerk reviews employment law and makes recommendations to full council when necessary

e. Ensuring all requirements are met under HMRC (especially VAT)

The Clerk reviews VAT requirements and makes recommendations to the council when necessary and makes sure Paye payments are made. (Tax & NI of employees)

f. Ensuring the adequacy of the annual precept within sound budgeting arrangements

Budgets are reviewed monthly by the finance committee. The finance committee sets the budget which is then recommended for approval to full council. Full council sets the precept.

g. Ensuring the proper use of funds granted to local community bodies under Section 137

Grants/ Donations applications are considered by the Finance Committee, and if larger donations are requested it is recommend to Full Council. Where Section 137 is used it is listed separately in the annual accounts

h. Proper, timely and accurate reporting of the Council business in the minutes

Council minutes are prepared by the Clerk. They are distributed to members in advance of the subsequent meeting, verified as a correct record as one of the first items of business of that meeting and signed by the Chairman. Committee minutes are presented to full council for information and are noted in the full council minutes.

i. Responding to electors wishing to exercise their rights of inspection

The right of inspection to electors is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant documents are available on demand and in addition copies of agendas and minutes are presented on the council notice board/Website.

j. Meeting laid down timetables when responding to consultation invitations

Every effort is made to meet specific timetables when responding to consultation invitations

k. Proper Document Control

Paperwork is retained in accordance with national guidelines and relevant documents are available for viewing on request

1. Register of Members' Interest Forms

The members' Register of Interests forms are held by the Monitoring Officer at Stroud District Council. It is the responsibility of members to notify the Monitoring Officer of any changes

3B INTERNAL CONTROLS

a. Regular scrutiny of financial records and proper arrangements for the approval of expenditure.

Comprehensive measures are in place for the approval of expenditure

b. Recording in the minutes the precise powers under which expenditure is being approved

See Section 2 Internal Audit Assurance (b).

Salaries are fixed by the full council and are subject to internal audit. Staffing Issues are dealt with by the Staff Committee.

c. Regular Returns of VAT

The Clerk is responsible for completion and submission of VAT returns

d. Developing system of performance measurement

In accordance with legislation, staff appraisals will be undertaken annually by the Clerk. In the case of the Clerk the annual appraisal will be undertaken by the Staff Committee. The outcome is reported to full council who will consider any recommendations made.

e. Minutes properly numbered with a master copy kept in safe keeping

All council minutes are correctly numbered. These are loose leaf and signed. Original copies are kept in the minute file in the office of the Clerk.

f. Documented procedures to deal with enquiries from the public

Calls, letters, visitors to the office and e-mails are dealt with as soon as practicable unless referred to Council. In such cases acknowledgement of enquiry is made.

g. Monitoring arrangements regarding Quality Council Status

Currently not applicable

h. Documented procedures for document receipt, circulation, response, handling and filing

The Clerk receives all mail and sends to all Councillors. Mail for action is dealt with accordingly and filed when actions completed. Mail for information only is circulated to all members.

i. Adoption of Codes of Conduct for members and employees

The council adopted the Code of Conduct for members in August 2012. Employees' Code of Conduct is in accordance with their individual contracts of employment.

3C INTERNAL AUDIT ASSURANCE

a. Review of Internal Controls in place and their documentation

Internal Controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council as and when appropriate

b. Review of minutes to ensure legal powers in place, recorded and correctly applied

See Section 2 Internal Audit Assurance (b).

c. Testing of income and expenditure from minutes, from bank statement to accounts records, from minutes to statement

The testing of these procedures forms part of the internal controls currently in place. The system is also tested during the audit process