

# WHEATLEY HILL PARISH COUNCIL

## RISK MANAGEMENT POLICY

Wheatley Hill Parish Council (WHPC) is committed to identifying and managing risks to ensure that risks are maintained at an acceptable level. The Parish Council will take any action that is felt necessary. The Parish Council will annually review risks, including any newly identified risks, the review will include identification of any unacceptable levels of risk.

The Local Councils Governance and Accountability Guidance makes the following observations regarding risk management.

- Risk management is not just about financial management, it is about setting objectives and achieving them to deliver high quality public services.
- The 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 as risk threatens the achievement of policy objectives. Members should, therefore –

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

To identify the risks facing the Council, the Guidance recommends grouping the three main types of decisions that must be taken into the following areas:

Section 1 - Areas where there may be scope to use insurance to help manage risk

Section 2 - Areas where there may be scope to work with others to help manage risk

Section 3 - 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**

#### **1 RISK IDENTIFICATION**

##### **a. Protection of physical assets i.e. buildings, furniture and equipment**

All physical assets are insured with Zurich Municipal.

##### **b. Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public**

WHPC has Public Liability Insurance. It also has personal accident liability cover for employees and Members.

##### **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)**

Covered by insurance.

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

The Council has Fidelity Guarantee cover for all Members and employees.

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

See b above.

#### **2 INTERNAL CONTROLS**

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

The Council has an Asset Register, which is updated annually by the Clerk and forms part of the Annual Accounts each year.

##### **b. Regular maintenance for physical assets**

The Council undertakes regular inspections of its premises and the maintenance of buildings and equipment is undertaken on a responsive basis.

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

The Clerk annually reviews the insurance cover and where necessary makes recommendations to the Council to update cover if needed.

##### **d. Ensuring robustness of insurance providers**

WHPC uses Zurich Municipal and the Clerk is confident that the cover provided is sufficiently robust.

#### **3 INTERNAL AUDIT ASSURANCE**

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

The Clerk and Internal Auditor review internal controls as necessary. Recommendations from the Clerk and Internal Auditor are submitted to Council.

b. **Testing of specific internal controls and reporting findings to management**

This is undertaken as part of the audit process. Both internal and external audit reports are presented to Council and recorded accordingly.

## **SECTION 2**

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

#### **1 RISK IDENTIFICATION**

##### **a. Security for buildings, amenities or equipment**

The Heritage Centre is alarmed and linked to a central control. In the event of any breach of security, appropriate measures are taken to secure the property.

##### **b. Maintenance for buildings, amenities or equipment**

All premises are maintained within approved budget. In-house maintenance is undertaken where possible and contractors used as required with quotations received in advance of any work being undertaken.

##### **c. Banking Services**

All cheques require three signatures, two Members and the Clerk. The Council authorises all payments made via a monthly report.

##### **d. Provision of amenities/facilities for local community groups**

The Council has approved the use of the Heritage Centre for authorised community groups.

##### **e. Professional services, contractors etc.**

The Council endeavours to ensure that wherever possible it can select from several providers for any service it requires.

#### **2 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 Standing Orders that govern the awarding of contracts. These are reviewed on a regular basis.

##### **b. Arrangements to detect and deter fraud and/or corruption**

Both the Clerk and Members of the Parish Council subject invoices to scrutiny.

##### **c. Regular bank reconciliation, independently reviewed**

Bank statements are received monthly. A bank reconciliation is prepared each month to Council.

#### **3 INTERNAL AUDIT ASSURANCE**

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

The RFO and Internal Auditor review internal controls, as necessary. Any recommendations from the Clerk or Internal Auditor are submitted to Council for approval.

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

The Clerk undertakes this to ensure 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 decisions taken. The minutes of meetings are 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 WHPC 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 Council and recorded accordingly.

## **SECTION 3**

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

#### **1 RISK IDENTIFICATION**

- a. **Keeping proper financial records in accordance with statutory regulations**

Financial records are kept in accordance with the statutory requirements 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**

Not applicable.

- d. **Ensuring that all requirements are met under employment law and Inland Revenue regulations**

Inland Revenue calculations are made by J.A.C.s Accountancy Limited and are subject to the audit process. Salary forecasts are undertaken as part of the budget setting process and Council recommends incremental increases for adoption. Independent legal advice is taken as necessary.

- e. **Ensuring all requirements are met under Customs and Excise regulations (especially VAT)**

The Clerk and the Internal Audit process meet all such requirements.

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

Council in accordance with the Councils budget procedure reviews budgets.

- g. **Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137**

All grant applications are considered by the Council. Section 137 Expenditure is recorded separately in the annual accounts.

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

The Clerk prepares council minutes. They are copied to Members in advance of the subsequent meeting, verified as a correct record at the next meeting and signed by the Chair.

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

Electors rights to inspect documents is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant

documents are available and in addition, meeting schedules and minutes, once approved, are publicly available.

**j. Meeting the laid down timetables when responding to consultation invitations**

Every effort is made to meet specified timetables when responding to consultations.

**k. Proper document control**

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

**l. Register of Members interests, gifts and hospitality is in place, complete, accurate and up to date**

The Clerk holds the Members register of interests and the Monitoring Officer at Durham County Council holds a copy. To the best knowledge of the Clerk these are accurate and up to date. It is the responsibility of Members to notify the Clerk of changes.

**2 INTERNAL CONTROLS**

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

Comprehensive measures are in place for the internal and external approval of expenditure.

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

See Section 2 Internal Audit Assurance (b)

**c. Regular returns to the Inland Revenue; contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by Council**

Inland Revenue Returns are completed and submitted by J.A.C.'s Accountancy Limited and are subject to internal audit. Staffing issues are considered by Council.

**d. Regular returns of VAT**

The Clerk is responsible for completion and submission of VAT returns.

**e. Procedures for dealing with and monitoring grants, or loans, made or received**

Currently not applicable.

**f. Minutes properly numbered with a master copy kept in safekeeping**

All Council minutes are numbered and signed by the chair. The Clerk keeps original copies.

**g. Documented procedures to deal with enquiries from the public**

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

**h. Documented procedure to deal with responses to consultation requests**

Consultation requests are referred to the Council. The course of action taken is minuted. Copies of correspondence are available to all Members on request.

**i. Monitoring arrangements regarding Quality Council status**

Currently not applicable.

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

The Clerk receives all mail.

**k. Procedures in place for recording and monitoring Members interest and gifts and hospitality received**

See Section 3 Risk identification (l)

**l. Adoption of Codes of Conduct for Members and employees**

The Council has adopted the Code of Conduct for Members. Employees' Code of Conduct is in accordance with their individual contracts of employment.

**3 INTERNAL AUDIT ASSURANCE**

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

The Clerk and Internal Auditor review internal controls as necessary. Any recommendations from the Clerk and Internal Auditor are submitted to Council for approval.

**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, paying in books, accounting ledgers and bank statements**

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

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

See Risk Assessment Strategy.



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

Where appropriate, the results of such testing, as part of the internal controls will be reported to Council. Similar reporting to Council will be made as part of the internal audit.

f. **Computer data safety**

All necessary procedures and documents are computerised and backed-up regularly.