

DUXFORD PARISH COUNCIL

RISK MANAGEMENT POLICY AND RISK ASSESSMENT

**Adopted 11 February 2010
Revised 28 April 2016**

DUXFORD PARISH COUNCIL

RISK MANAGEMENT POLICY

In accordance with the Accounts & Audit Regulations 2003, as amended

Duxford Parish Council is committed to identifying and managing risks, using the following procedures, and to ensure that risks are maintained at an acceptable level. The Council will deal promptly with any action that is considered necessary.

The Clerk will review risks on a regular basis, including newly identified risks, and will report to the Parish Council or responsible Committee. 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 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 take 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 in 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 HELP TO MANAGE RISK

1A RISK IDENTIFICATION

a Protection of physical assets eg building, furniture, equipment and regalia

All physical assets are insured with Zurich Insurance Policy Ref: YLL-2720853573

b Risks of damage to third party property or individuals as a result of the Council providing services or amenities to the public

DPC has a Public Liability Insurance cover of £ 10,000,000. It also has 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 above insurance policy cover

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

DPC has Fidelity Guarantee cover of up to £250,000 for all members and employees. DPC does not operate a petty cash system

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

Covered at b. above

1B INTERNAL CONTROLS

a Register of Assets and Investments

An Asset Register is kept up to date by the Responsible Financial Officer (RFO) and checked annually by the Independent Internal Auditor as part of the audit process.

b Regular maintenance for physical assets

The Clerk and responsible contractors undertake regular inspections of all physical assets. Maintenance of buildings, site and equipment is undertaken on a responsive basis. RoSPA independently checks playground equipment on an annual basis.

c Annual review of risk and the adequacy of insurance cover

The Responsible Financial Officer reviews the insurance cover annually and makes any recommendations considered necessary to the Council. The RFO will then implement

any changes approved by the Council.

d Ensuring robustness of insurance providers

There are various insurers for local councils. DPC insure with Aon UK Limited and the RFO is confident that their cover is sufficiently robust.

1C INTERNAL AUDIT ASSURANCE

a Review of internal controls in place and their documentation

The Clerk and Internal Auditor review internal controls as necessary and make any recommendations to the Finance Committee

b Review of management arrangements regarding insurance cover

This forms part of the Finance Committee 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 Finance Committee and minuted accordingly

SECTION 2

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

2A RISK IDENTIFICATION

a Security for vulnerable buildings, amenities or equipment

The Council's only building is the Football Pavilion, which is leased on an annual basis to Duxford United Football Club. The Club are responsible for the security of the building and complete regular inspections as does the Clerk and contracted groundsman.

In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Crime reports are obtained for all breaches of security by contacting Cambridgeshire Constabulary.

b Maintenance of vulnerable buildings, amenities or equipment

All buildings, amenities and equipment are maintained within approved budgets. In-house maintenance is undertaken where possible and contractors used as required with quotations required in advance of any work undertaken

c Banking Services

Reviewed periodically by the Finance Committee. All cheques require two members signatures, and all internet banking payments require the authority of the Chairperson and/ or Vice-Chairperson. All payments are reviewed and authorised by the Council. Funds held in the Council's deposit accounts can only be transferred into the Treasurers Account.

d Provision of amenities / facilities for local community groups

The Council approves use of its playing fields and football pavilion on a discretionary charge basis. Users are advised to ensure that they have their own public liability

insurance cover

e Professional services, contractors etc

The Council endeavours to ensure that, wherever possible, it has the opportunity to select (from several) the provider of any professional service it requires, including approved contractors. Any professionals whose service the Council uses are well established and often selected on recommendation.

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 Standing Orders and Financial Regulations that govern the awarding of contracts. Both documents are reviewed as necessary

b Clear statements of management responsibility for each service

Under Standing Orders the Footpath, Recreation Ground and Burial Committee, the Allotment Committee and Youth Committee have delegated management responsibility for their own approved budgets

c Regular scrutiny of performance against targets

Covered at b. above

d Arrangements to detect and deter fraud and/or corruption

All invoices are subject to scrutiny by the Responsible Financial Officer and the two members countersigning the cheque for payment.

e Regular bank account reconciliation

Bank statements are received monthly, checked and reconciled by the Clerk on a minimum quarterly basis, with the assistance of a qualified accountant.

2C 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 are submitted to the Council through the Finance Committee

b Review of minutes to ensure legal powers are available and the basis of the powers correctly applied

The Clerk undertakes to ensure that the Council do 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 a decision taken. The minutes of meetings are also reviewed during the audit process.

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

The use of Standing Orders, internal controls and consideration by the Council are all methods that contribute to prevent and deter fraud and corruption.

d Review of adequacy of insurance cover provided to suppliers

All employed contractors 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 Finance Committee and minuted accordingly.

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 regulations

Financial records kept in accordance with the statutory requirements fall within the remit of the Finance Committee and are reviewed as part of the audit process

b Ensuring all business activity is within legal powers applicable to Parish Councils

See Section 2 Internal Audit Assurance (b)

c Complying with restrictions on borrowing

The Council is mindful to comply with borrowing restrictions should the Council need to borrow funds.

d Ensuring that all requirements are met under employment law and HRMC regulations

Salary forecasts are undertaken as part of the annual budget process and approved by the Council. The Council is aware of Employment law and HRMC regulations.

e Ensuring all requirements are met under Customs and Excise regulations (VAT)

The RFO is responsible for administering VAT requirements which are checked as part of the annual audit process

f Ensuring adequacy of the annual precept within sound budgeting arrangements

Committee budgets are reviewed by the Finance Committee and approved by the full Council within the Council's budget procedure. Budget performance is reviewed by the Council on a regular basis.

g Ensuring the proper use of funds granted to local community bodies under specific powers for Section 137

The Council considers grant applications. Section 137 grants are listed 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 distributed to all members in advance of the subsequent meeting and verified and signed as a correct record as one of the first items of business of that meeting. Minutes of Committee meetings are dealt with in

the same manner.

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 by post and, in addition, minutes are published on the Council's website.

j Meeting the laid down timetables when responding to consultation invitations

Every effort is made to meet specific 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 and gifts and hospitality is place complete, accurate and up to date

The members' register of interest is held by the Clerk and the Monitoring Officer at South Cambridgeshire District Council. The Clerk is responsible for keeping the register up to date but it is the member's responsibility to notify the Clerk of any changes.

3B INTERNAL CONTROLS

a Approval of expenditure

All expenditure is duly authorised by the empowered Committee or full Council.

b Recording of minutes the precise powers of which expenditure is being approved

See Section 2 Internal Audit Assurance (b)

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

Contracts of employment are issued to all staff and relevant changes in legislation are regularly reviewed by the Clerk for any appropriate action of the Council. Any necessary returns to HRMC are prepared when required.

d Regular VAT returns

The Clerk as RFO is responsible for completion and submission of VAT returns. They are normally submitted twice yearly with any interim returns submitted as necessary. Checking of VAT returns forms part of the Internal Audit process

e Developing system of performance measurement

Annual staff appraisals are undertaken in accordance with legislation. In the case of the Clerk this is the responsibility of the Chairman who then reports to the full Council.

In the case of other staff, this is the responsibility of the Chairman and Clerk.

f Procedures for dealing with and monitoring grants or loans, made or received

The annual budget of the Council identifies and approves such grants that will be made during the forthcoming year. Grant requests made outside the annual budget may be approved from reserved funds at the discretion of the full Council. Donations made to the Council are separately identified in the accounts and earmarked if given for a specific purpose.

g Minutes properly numbered with a master copy kept in safekeeping

All approved Council and Committee minutes are correctly numbered. These are loose leaf and signed copies are deposited with the County Council archives at appropriate intervals. Original copies are kept in the Council office and by the Clerk

h Documented procedures to deal with enquires from the public

Calls, letters and e-mails are dealt with as soon as practicable by the Clerk unless referred to the appropriate Committee or full Council. When necessary, acknowledgement of an enquiry is made.

i Documented procedure to deal with responses to consultation requests

Consultation requests are referred to the appropriate Committee or Council. They may be further delegated to a Working Group. Any course of action taken is minuted. Copies of correspondence are issued to all members.

j Monitoring arrangements regarding Quality Council status

The full Council reviews their decision to apply for Quality Status annually. To date the Council has not applied for Quality Council status.

k Documented procedure for document receipt, circulation, response, handling and filing

The Clerk receives all documents and correspondence. Relevant mail is passed to all members of the appropriate Committee or full Council for consideration or information. Correspondence requiring any action is then dealt with by the Clerk and filed when the action has been completed.

Miscellaneous correspondence, circulars, magazines etc are circulated to all members by means of a 'red folder' which is passed from member to member in accordance with the covering distribution list.

l Procedures in place for recording and monitoring members' interest, gifts and hospitality received

See Section 3 Risk identification (l)

m Adoption of Codes of Conduct for members and employees

The Council has adopted and adheres to the appropriate Codes of Conduct

3C INTERNAL AUDIT ASSURANCE

a Review of internal controls in place and their documentation

Internal reviews are conducted as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to the Council through its Finance Committee.

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 and bank statements

The regular testing of these procedures and internal controls forms part of the Clerks, as RFO, responsibility. The system is also tested during the audit process.

d Review of 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 the appropriate Committee or Council. Similar reporting to the Council will be made as part of the internal audit

f Computer data safety

All necessary procedures and documents are computerised and all relevant areas of the Clerks computer are backed-up on a regular basis onto a hard disc, and any files can be retrieved by the DPC Webmaster externally.
