



CHERITON FITZPAINE PARISH COUNCIL

Risk Management and Risk Assessment Policy

Adopted by Cheriton Fitzpaine Parish Council December

2019 Last Reviewed: April 2024 (no amendments made)

Cheriton Fitzpaine 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 by the Cheriton Fitzpaine Parish Council. The Clerk and Chair will review risks on a regular basis, including any newly identified risks, and will report to the Parish Council as soon as practicable. 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.

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 risks threaten the achievement of policy objectives. Members should, therefore: -

- a. take steps to identify key risks facing the Council
- b. evaluate the potential consequences to the Council if an event identified as a risk takes place 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
- (ii) 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 IDENTIFICATIONS

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

All physical assets are insured with Zurich Municipal Insurance under Policy No YLL-2720446943

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

CFPC has a Public Liability Insurance 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 insurance policy cover.

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

The Council has Fidelity Guarantee cover up to £10,000 covering Councillors and Clerk.

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 (Clerk) and presented to Council with Annual Accounts each year.

b Regular maintenance for physical assets.

The Clerk and/or a Councillor and/or suitable qualified external contractor undertake regular inspections of the facilities. Maintenance of buildings, sites and equipment is undertaken on a responsive basis. Playground equipment is checked independently by ROSPA.

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

The Clerk and Chair undertake an annual review of risk assessment and policy, presenting any changes to existing policy to Council for adoption. The Responsible Financial Officer (Clerk) reviews the insurance cover annually, makes recommendations to the Council and updates cover as required.

d Ensuring robustness of insurance providers.

Zurich Municipal is one of the principal insurance providers for Local Authorities and the members are confident that the insurance cover is sufficiently robust.

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 or Internal Auditor are submitted to Council.

b Review of management arrangements regarding insurance cover.

This forms part of the Finance & Services Committee review at the 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 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 amenities and equipment.

The Council's public areas and amenities are regularly inspected. In the event of any damage or reports of antisocial incidents / behaviour, appropriate measures are taken as soon as practicable to make safe any damaged amenities or equipment. Crime Reports are obtained for reported issues as appropriate by contacting Devon & Cornwall Police 101.

b Maintenance for vulnerable buildings, amenities or equipment.

All Council owned amenities are maintained under annually approved budgets or by use of Council contingency funds (used for emergency measures). In-house maintenance is undertaken where possible and contractors used as needed, with quotations received in advance of all works.

c The provision of services being carried out under agency/partnership agreements with principal authority.

Mid Devon District Council (MDDDC) is the local authority. There are no agency agreements in place at present.

d Banking Services.

Reviewed periodically by the Council. Three members to sign all cheques once expenditure approved by vote of full council. In emergency situations the Chair may authorise payments but any such payments (along with reasons for triggering the emergency payment) must be put before the full Council for review at the next meeting.

e Ad-hoc provision of amenities/facilities for events for local community groups.

The council has approved the use of its sites for specific events, both on a charge and, occasionally, on a free-of-charge basis. Users are advised to ensure their own public liability insurance cover.

f 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 MDDC's list of approved contractors as appropriate. 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 Standing Orders and financial regulations that govern the awarding of contracts.

b Regular reporting on performance by contractors/suppliers.

Amenity and grounds maintenance reports are delivered to the Council for consideration with action taken as appropriate

c Review of contracts.

Contracts are reviewed by the Council as part of its budget process.

d Regular scrutiny of performance against targets.

See sections b and c above

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

Invoices are subjected to scrutiny by both the Clerk (RFO) and Council prior to approval and by the cheque signatories at the point of signing.

f Regular bank reconciliations, independently reviewed.

Bank statements are received monthly and are checked by the Clerk (RFO).

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 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 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 decisions 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 CFPC 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 Council 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 requirements.

Financial records kept in accordance with the statutory requirements fall within the responsibility of the Council 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 only borrowing is with the Public Works Loan Board.

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

Inland Revenue calculations are made by the Clerk and subject to the Audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are approved by the Council. Independent legal advice is taken as necessary.

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

All such requirements are met by the Responsible Financial Officer (Clerk) and the Internal Audit process.

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

Annual budgets are reviewed by and approved by full Council in accordance with the Council's budget setting procedure.

g Monitoring of performance against agreed standards under partnership agreements.

See Section 2 Internal Controls (b)

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

Grant applications are considered by the Council. Should there be any, section 137 payments must be listed separately in the annual accounts.

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

Council minutes are prepared by the Clerk. They are distributed to members as soon as possible, in advance of the subsequent meeting, verified as a correct record as the first business of that meeting and signed at the meeting. Amendments to minutes and/or failure to approve is recorded. Actions and resolutions from committee minutes I (if there are any) are adopted at the next council meeting. Committee minutes are approved and signed as a correct record at the next committee meeting.

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

The rights of inspection by electors is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant documents are available on demand (during office hours) or by post and in addition, financial documents, meeting schedules and minutes are available on the council's website. These are reviewed periodically.

k Meeting the laid down timetables when responding to consultation invitations.

Every effort is made to meet specified timetables when responding to consultation invitations.

l Proper document control.

Paperwork is retained in accordance with national guidelines and is available for viewing during office hours. All incoming and outgoing mail is logged.

m Register of members' interests and gifts/hospitality in place, accurate and up to date.

The members' register of interests is held by the Clerk and a copy is held by MDDC. It is the responsibility of members to notify the Clerk of 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 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, annually reviewed by the Council, systems of updating records for any changes in relevant legislation.

Inland Revenue returns are duly completed by the Clerk on an annual basis and reviewed by the Council prior to submission. Salaries are calculated by the Clerk, reviewed by Council and checked during internal audit. Where necessary staffing issues are referred to the full Council.

d Regular returns of VAT.

The Clerk as RFO is responsible for VAT returns. The Council checks that the RFO receives adequate training in all financial matters that relate to council business.

e Developing system of performance measurement.

Staff appraisals are undertaken annually, by the Chairman in the case of the Clerk and by the Clerk in the case of other staff (should there be any). These are reported to the full Council.

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

See Table 3. Risk Identification (h).

g Minutes properly numbered and paginated with a master copy kept in safekeeping.

All Council and Committee minutes are correctly numbered and page numbered. These are loose leaf and signed copies are retained in the Council Offices.

h Documented procedures to deal with enquiries from the public.

Calls and letters are dealt with as soon as practicable unless referred to council or committee. In such cases, acknowledgement of enquiry is made.

i Documented procedures to deal with responses to consultation requests.

Consultation requests are referred to Council. They may be further delegated to a working group. The course of action taken is minuted. Copies of responses are available to all members and the public on request.

j Monitoring arrangements regarding Quality Council status.

Currently not applicable.

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

The Clerk receives and delegates all mail. All relevant mail is presented to the Council for consideration or for information. Mail for action by administration staff is dealt with accordingly and filed when actions are completed.

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

See Section 3. Risk Identification (n).

m Adoption of Codes of Conduct for members and employees.

All Councillors and staff (including the Clerk) must make declarations of acceptance of the relevant Codes of Conduct as soon as practical after appointment. Copies of these will be retained by the Clerk and MDDC as required by statute.

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.

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 to accounts package, from bank statements to accounts package, from minutes to statements etc.

The testing of these procedures forms part of the internal and audit controls currently in place.

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

See Table 3. Internal Audit Assurances (c)

e Computer data safety.

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

f Valuable documents.

Where possible, all valuable documents will be held in physical and electronic form. The Council may consider lodging significant documents with MDDC and or their Lawyers as appropriate to guard against accidents loss. Documents will be archived through the Devon Records Office as appropriate.