



Risk Management Policy

Twyford Parish Council Policies and Procedures	
Risk Management	
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RISK MANAGEMENT POLICY

Twyford Parish Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. To achieve this Twyford Parish Council will take any action that is felt necessary.

The Clerk will review risks on a regular basis, including any newly identified risks, and will report to the F & GP Committee. 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

1. In all types of undertaking, there is the potential for events and consequences that may either be opportunities for benefit or threats to success. Local councils are no different and risk management is increasingly recognised as being central to their strategic management.
2. Risk management is the process whereby local councils methodically address the risk associated with what they do and the services which they provide. The focus of good risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences.
3. Risk management is not just about financial management; it is about ensuring the achievement of objectives set by the council to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets, and, eventually, on the local community's Council Tax bills.
4. The local council audit approach seeks to encourage local councils to address these issues by placing emphasis on the need to keep under review and, if need be, strengthen their own corporate governance arrangements, thereby improving their stewardship of public funds and providing positive and continuing assurance to taxpayers.

5. The importance of looking afresh at risk comes in the wake of a more demanding society, bold initiatives and more challenge when things go wrong. It also arises because of the significant changes taking place as a result of the Government's service improvement agenda, including, for example, Quality Parishes and encouraging the delegation of service delivery associated with attaining Quality status. Local authorities currently face pressures, including those associated with the powers around well-being, that potentially give rise to a range of new and complex risks and which suggest that risk management is more important now than at any other time.

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: -

- take steps to identify and update their record of 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; and
- record any conclusions or decisions reached.

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:

- take out insurance
- work with a third party to manage the risk
- self-manage the 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 Insurance under Policy:
YLL - 2720440083

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

TPC has Public Liability Insurance of £12,000,000. 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 £250,000 for all members and employees. Large unexpected withdrawals invite a telephone check from the bank.

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 Council with Annual Accounts each year.

b Regular maintenance for physical assets

The Clerk, Village Ranger and Park Warden undertake regular inspections of the facilities. Maintenance of buildings, sites and equipment is undertaken on a responsive basis, in addition to budgeted Capital Projects for major refurbishment. Playground equipment is checked by the Park Warden weekly and independently by Fenland Leisure on an annual basis.

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

The Responsible Financial Officer reviews the insurance cover annually, makes recommendations to the Finance and General Purposes (F & GP) Committee and updates cover as required

d Ensuring robustness of insurance providers.

TPC uses Zurich Insurance and the RFO is confident that Zurich 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 and Internal Auditor are submitted to Council through its F & GP Committee.

b Review of management arrangements regarding insurance cover.

This forms part of the F & GP 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 Finance & General Purposes 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.

Stanlake Pavilion, is let to The Colleton After School Club during the week who ensure the building is secure after use. It is used by sports clubs at the weekend and their conditions of hire include the need to make sure it is secure after use. The building is alarmed and has a steel safety shutter to secure the main entrance and adjacent windows. 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 Thames Valley Police on 101.

Twycombe Lodge, is let to The Vet Centre on a 5 year lease. They are responsible for insuring the contents of the property.

b Maintenance for vulnerable buildings, amenities or equipment.

All premises are maintained within approved budget unless the Contingency Budget has to be 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.

Wokingham Borough Council (WBC) is a Best Value principal authority. TPC uses the services of a WBC appointed contractor to have waste bins emptied.

d Banking Services.

Reviewed annually by F & GP Committee. Two members authorise all payments. The Full Council reviews all payments.

e 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 required to ensure their own public liability insurance cover and provide proof of this cover at the time of hire.

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 WBC's list of approved contractors. 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 that govern the awarding of contracts. These were last fully reviewed in April 2013 and the revisions adopted on 23rd April 2013.

b Regular reporting on performance by contractors/suppliers.

Property reports and ground maintenance reports are delivered to each Parish Lands Committee meeting.

c Review of contracts.

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

d Clear statements of management responsibility for each service.

Under Standing Orders the F & GP, Lands and Planning Committees have delegated management responsibility for their own budgets. All have policies that are reviewed on an annual basis.

e Regular scrutiny of performance against targets.

See (b) and (d).

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

Invoices are subjected to scrutiny by both the RFO and the cheque signatories, who are councillors – any two from a list of five.

g Regular bank reconciliations, independently reviewed.

Bank statements are received monthly and are seen by the Clerk (RFO). A reconciliation is presented at each Finance and General Purposes Committee meeting at which time the bank balances are confirmed. The minutes of this committee are seen and discussed by the following Full Council meeting.

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 through its F & GP Committee.

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 TPC 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 Finance & General Purposes 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 requirements.

Financial records kept in accordance with the statutory requirements fall within the responsibility of the Finance & General Purposes Committee 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(C) Internal Audit Assurance (b)

c Complying with restrictions on borrowing.

The Council has no current borrowing arrangements.

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 Finance & General Purposes Committee. 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 and the Internal Audit process.

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

Committee budgets are reviewed by Finance & General Purposes Committee 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(B) Internal Controls (b) and (d).**h Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137.**

Grant applications are considered by the Finance & General Purposes Committee. Section 137 grants are listed separately in the annual accounts. Recommendations for grants are approved by the Full Council. For all grants above £500 and given for a specific purpose evidence is required from the organisation that the monies have been spent for the purpose.

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 in advance of the subsequent meeting, verified as a correct record as the first business of that meeting and signed at the meeting. Failure to do so is recorded. Committee minutes are reviewed at the next full council meeting and actions and resolutions from committee minutes are adopted.

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, meeting schedules and minutes are available on the council's section of the village 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.

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

The Clerk holds the members' register of interests and WBC holds a copy. To the best of the Clerk's knowledge these are accurate and up-to-date. 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(B) 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 a monthly basis. Salaries are calculated by the Clerk. Staffing issues are referred to Finance & General Purposes Committee.

d Regular returns of VAT.

The Clerk as RFO is responsible for VAT returns and these are reviewed by F & GP. The F & GP Committee 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 and Vice Chairman in the case of the Clerk and by the Clerk in the case of other staff. These are reported to the appropriate Committee.

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

See Table 3. Risk Identification (h). There are no outstanding loans received at this time. The Clerk maintains a record of the loans

outstanding and reports to the F & GP Committee when payments are made.

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 sent to Berkshire Records Office at appropriate intervals. Further 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 committee. They may be further delegated to a working group. The course of action taken is minuted. Copies of responses are available to all members 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 all mail. All relevant mail is listed with council or a committee for consideration or for information. Mail for action by the Clerk 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 (m).

m Adoption of Codes of Conduct for members and employees.

The Council adopted WBC's Code of Conduct for Town & Parish Councils 24th April 2018. Employees Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

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 through its F & GP Committee.

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

See Section 2(C) Internal Audit Assurance (b).

c Testing of income and expenditure from minutes to AdvantEDGE accounts package, from bank statements to AdvantEDGE, from minutes to statements etc.

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.

The system and controls laid down in Standing Orders is reviewed on a regular basis to check it is robust. No expenditure, transfers or disposal of assets can be made without the authorisation of two councillors on the approved signatory list.

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 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 computer are backed up. The computer system is protected by Norton Antivirus, which incorporates a firewall. Each time the computer is used this automatically backs up all data to the cloud using Microsoft 365. The financial system is accessed by logging in to a remote computer operated by Edge Design, which is protected by Mc Fee Antivirus software. Records are backed up on their secure servers each time transactions are entered.

g Valuable documents.

Arrangements are in place to store all valuable documents, deeds etc offsite, and copies to be retained in the Council Office.