



Great & Little Preston Parish Council

Risk Management Policy

Drafted March 2018

Approved by Council - May 16th 2018

Review Date - May 2019

Great & Little Preston Parish Council is committed to identifying and managing risks, using the following procedures and to ensure that risks are maintained at an acceptable level. Any action that is felt necessary will be taken by Great & Little Preston Parish Council. The Clerk will review risks on a regular basis, including any newly identified risks and will report back to the Parish Council. The review will include identification of any unacceptable levels of risk.

The Local Council's Government and Accountability Guidance highlight the following observations regarding risk management.

- Risk management is not just about financial management; it is about setting objectives and achieving them in order to deliver high quality public services.*
- 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 makes the point that Members are ultimately responsible for risk management because 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 to 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*
- Areas where there may be scope to use insurance to help manage risk **(Section A)**
- Areas where there may be scope to work with others to help manage risk **(Section B)**
- Areas where there may be need for self-managed risk **(Section C)**

Section A

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

1 Risk Identification

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

All physical assets are insured with BHIB, Policy number LCO01231

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

Great & Little Preston Parish Council has public liability insurance of £10,000,000 and employer's liability insurance of £10,000,000

1. 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

Included in the insurance policy cover

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

The Council has Fidelity Guarantee cover up to £250,000

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

See 1.b

2 Internal Controls

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

An Asset Register should be compiled annually by the Clerk and presented to the Council. This can then be shared with our insurers, if necessary.

2. b Regular maintenance for physical assets

The Clerk and Chair undertakes regular inspection of the premises that the Council use and equipment inspection is undertaken on a responsive basis. Play equipment is inspected bi-annually by an independent and qualified inspector. The assets of the Village Hall are checked by the Village Hall Committee.

2. c Annual review of risk and the adequacy of insurance cover

The Clerk reviews the insurance cover annually, makes recommendations, as necessary, to the Parish Council and updates cover as required.

2. d Ensuring robustness of insurance providers

There is one insurer for the Council, BHIB and the Clerk and PC are confident that the insurance cover is sufficiently robust.

3 Internal Audit Assurances

3. a Review of internal controls and their documentation

Internal controls are reviewed as necessary by the RFO and Internal Auditor. Recommendations from the Clerk/RFO and Internal Audit are submitted to the Parish Council for consideration/approval.

3. b Review of management arrangements regarding insurance cover

This forms part of the Parish Council procedures at the time of the annual review.

3. c Testing of specific internal controls and reporting findings to the Parish Council.

This is undertaken as part of the Audit process. Reports are presented to the Parish Council and minuted accordingly.

Section B

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

1. Risk identification

1. a The Playground

The Councils play area and equipment is inspected and any work needed dealt with on a responsive basis. Maintenance is undertaken where necessary and contractors used as needed, with quotations received in advance of any work. Bi- Annually the playground is checked by a qualified Playground Inspector recommended by Leeds City Council.

1. b Banking Services

Reviewed periodically by the Parish Council.

1. c The Village Hall,

There is a separate committee which runs the hall, which reports to the Parish Council through reports from their meetings with the Village Hall Liaison Group.

1. d Professional services and contractors

The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires and the Clerk will ask for quotations on all works. Anyone whose services it uses are well established and often selected on recommendation. Ideally a short-list of three is drawn up.

2. Internal Controls

2. 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 annually.

2. b The Parish Council sets an annual budget which is set in line with its responsibilities.

There are transparent processes to ensure that the budget is effectively scrutinised. The Parish Council also has a separate Financial Regulations Policy which gives more detail of this important area.

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

The Council does not have petty cash.

Invoices are subjected to scrutiny by both the RFO and cheque signatories who are Councillors.

Cheques are signed by two members, cheque stubs are initialled and payment/invoice/cheque details confirmed. This also forms part of the annual internal audit.

2. e Monthly bank reconciliation, independently reviewed

Bank statements are received monthly and are scrutinised [and initialled] at each parish meeting by a selected member of the Parish Council (Finance Group). A financial report is presented monthly to the Parish Council and copies are available to all members of the public in attendance.

2. f Operational risks Assessments

If there are any short term operational risks these will be noted and updated regularly by the Clerk and presented as a separate document to the parish council.

3. Internal Audit Assurance

3. 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 Parish Council

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

The Clerk ensures 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.

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

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

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

Any contractors working for the Parish Council are asked if they have appropriate insurance.

3. e Testing of specific internal controls and report findings to the Parish Council

This is undertaken as part of the audit process. Reports are presented to the Parish Council and minuted accordingly.

Section C

Areas where there may be a need to self-manage risk

1 Risk Identification

1. a Keeping proper financial records in accordance with statutory regulations

Financial records are kept in accordance with the statutory requirements and are the responsibility of Great & Little Preston Parish Council and are reported as part of the Audit process.

1. b Ensuring all business activities is with legal powers applicable to Parish Councils

See Section B (3b)

1. c Complying with restrictions on borrowing

The Council has no borrowings

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

Salary forecasts are undertaken as part of the budget setting process and incremental increases are subject to approval by the Parish Council

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

All such requirements are met by the RFO and the internal audit process

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

Budgets are reviewed and approved by the Parish Council in accordance with the Council's budget process

1. g Ensuring the proper use of funds granted to Local community bodies under specific powers or Section 137

Grant applications are considered by the Parish Council according to the grant awarding policy and recommended for approval. Section 137 grants are listed separately in the annual accounts.

1. h Proper, timely and accurate reporting of the Council business in the minutes. Council minutes are prepared by the Clerk.

They are distributed to all members **within 1 week of the last meeting** and in advance of the subsequent meeting, verified as a correct record as the first terms of business of the meeting and signed at the meeting. Committee or working group minutes are presented to the Parish Council for information, comment and agreement and are signed as a correct record at the Council meeting.

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

The right of inspection to electors is adhered to in accordance with Legislation. In accordance with the Freedom of Information Act, all documents are available on demand by post and in addition, meeting schedules and minutes, are published on the Councils website. Please see our publications policy for more detail.

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

The members' register of interest is held by the Clerk and a copy is held by the Monitoring Officer at Leeds City Council and these are also published on the parish council web site. It is the member's responsibility to notify the Clerk of any changes.

2 Internal Controls

2. a Regular Scrutiny of financial records on proper arrangements for the approval of expenditure

Measures are in place to prevent any unlawful expenditure

2. b Regular returns to the Inland Revenue, contracts of employment for staff, systems for updating records for any changes in relevant legislation reviewed by the Parish Council

Any HMRC matters are completed by the RFO and subject to audit review. Other items are overseen by the Administration & Finance group(s).

2. c Regular returns of VAT

The clerk as RFO is responsible for the completion and submission of VAT claims on a **quarterly** basis.

2. d Developing a system of performance Measurement

In accordance with legislation, staff appraisals will be undertaken annually by the Chairperson or Vice-Chairperson for the Council.

2. e Minutes properly kept

Minutes are numbered correctly and kept safe by the Clerk. They are also published on the council web site, stored on the Parish Council's laptop and on an external storage device.

2. f Adoption of the Code of Conduct for members and employees

Great & Little Preston Parish Council adopted the Code of Conduct of NALC/YLCA and employees are governed by their individual contracts.

3. Internal Audit Assurance

3. a Review of internal Controls in place and their documentation

Internal controls are reviewed by the Clerk and Internal Auditor and recommendations are submitted to the parish council.

3. b Transaction testing of income and expenditure

Covered during the Internal Audit Process.

3. c Computer Data backup and Safety

All files are stored on the council's laptop and backed up monthly onto a separate USB stick which is stored in a lockable, fireproof container.(Recommended)

Signed Chair Date