

# WESTONBIRT WITH LASBOROUGH PARISH COUNCIL RISK MANAGEMENT POLICY

## 1. Risk Management Policy<sup>1</sup>

Westonbirt with Lasborough 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 Westonbirt with Lasborough Parish Council.

The Clerk will review risks on a regular basis, including any newly identified risks, and will report to the Council. 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 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 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 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 a council, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken into the following areas:

- Areas where there may be scope to use insurance to help manage risk
- Areas where there may be scope to work with others to help manage risk
- Areas where there may be need for self-managed risk

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<sup>1</sup> Adopted at Parish Council Meeting on 19<sup>th</sup> November 2014  
Reviewed and updated at Parish Council Meeting on 13<sup>th</sup> July 2016

## 2. Areas Where There May Be Scope to Use Insurance to Help Manage Risk

### 2.1 Risks and Mitigation

Ref	Risk	Impact	Likelihood	Mitigation
a	Damage to physical assets e.g. buildings, furniture, equipment and regalia	Low	Low	Until recently, the only physical assets owned by the Council were two notice boards and the Clerk's computer and ancillary equipment. A BT telephone kiosk has been acquired and appropriate insurance has been taken out with our existing insurers.
b	Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public	Low	Low	Westonbirt with Lasborough PC has a Public Liability Insurance of £10 million in any one event.
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)	Low	Low	The Council does not rely on third party services
d	Loss of cash through theft or dishonesty (fidelity guarantee)	Low	Low	The Council does not hold petty cash
e	Legal liability as a consequence of asset ownership (public liability)	High	Low	See (a) and(b) above

### 2.2 Internal Controls

Ref	Description	Implementation
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 of physical assets	The Clerk undertakes regular inspections of the assets.
c	Annual review of risk and the adequacy of insurance cover	The Responsible Financial Officer (RFO) reviews the insurance cover annually, makes recommendations to the Council and updates cover as required

<b>Ref</b>	<b>Description</b>	<b>Implementation</b>
d	Ensuring robustness of insurance providers	There are three main insurers for local councils – Zurich Municipal, AVIVA and AON. Westonbirt with Lasborough Pc uses Zurich Municipal and the RFO is confident that Zurich Municipal insurance cover is sufficiently robust.

## 2.3 Internal Audit Assurance

Ref	Description	Implementation
a	Review of internal controls 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. In addition the Council reviews the effectiveness of the internal audit process annually
b	Review of management arrangements regarding insurance cover	This forms part of the Council's review at time of annual renewal

## 3. Areas Where There May Be Scope to Work with Others to Help Manage Risk

### 3.1 Risks and Mitigation

Ref	Description	Impact	Likelihood	Mitigation
a	Vulnerability of equipment including fire, flooding, theft and vandalism	Low	Low	None experienced during past 10 years.
b	Ensuring adequate maintenance equipment, including repair of damage	Low	Low	In-house maintenance is undertaken where possible.
c	The provision of services being carried out under agency / partnership agreements with principal authority	Low	Low	Currently no services are provided by CDC on behalf of Westonbirt with Lasborough PC.
d	Banking services and possibility of fraud	Low	Low	Reviewed annually by Council. Clerk holds Building Society Pass Book. Two Councillors to sign all applications to withdraw funds. The Full Council reviews all payments.
e	Professional services, contractors etc.	Low	Low	The Council endeavours to ensure that wherever possible it has the opportunity to select, from several, the provider of any professional service it requires. Any professionals whose services it currently uses are well established and have been appointed by Public Sector Audit Appointments Ltd

### 3.2 Internal Controls

Ref	Description	Implementation
a	Regulations dealing with the award of contracts for services or the purchase of capital equipment	The Council has Financial Regulations that govern the awarding of contracts. These were last reviewed and updated on 4 May 2016.
b	Regular reporting on performance by contractors / suppliers	Not applicable. There are no contractors/suppliers
c	Review of contracts	Not applicable other than as in 2.2 (c) & (d)
d	Clear statements of management responsibility for each service	Not applicable. There are no Sub-Committees
e	Regular scrutiny of performance against targets	Not applicable
f	Arrangements to detect and deter fraud and/or corruption	Invoices are subjected to scrutiny by both the RFO and the two fund-withdrawal signatories, who are Councillors
g	Regular bank reconciliations, independently reviewed	Building Society transaction statements are received by the Clerk/RFO. A reconciliation is presented at each full Council meeting at which time the Building Society balances are confirmed

### 3.3 Internal Audit Assurance

Ref	Description	Implementation
a	Review of internal controls and their documentation	See 2.3 (a)
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 would be recorded in the minutes if the Council decided against the Clerk's advice. Where appropriate, legal powers bestowed on the council will be recorded in the minutes against decisions taken.
c	Review and testing of arrangements to prevent and detect fraud and corruption	The use of Financial Regulations, internal controls and monitoring 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 Westonbirt with Lasborough PC would be asked for proof of insurance cover

## 4. Areas Where There May Be Need for Self-Managed Risk

### 4.1 Risks and Mitigation

Ref	Description	Impact	Likelihood	Mitigation
a	Keeping proper financial records in accordance with statutory requirements	High	Low	Financial records kept in accordance with the statutory requirements fall within the responsibility of the Full Council and are reviewed as part of the Audit process
b	Ensuring all business activities are within legal powers applicable to parish councils	High	Low	See 3.3 (b)
c	Complying with restrictions on borrowing	Low	Low	The Council has no current borrowing arrangements
d	Ensuring that all requirements are met under employment law and Inland Revenue regulations	Medium	Low	Inland Revenue calculations are made by the RFO and subject to the audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are approved by Full Council. All employment issues are reviewed by the Full Council. Independent legal advice is taken as necessary
e	Ensuring all requirements are met under Customs and Excise regulations (especially VAT)	Medium	Low	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	High	Low	Committee budgets are reviewed by and approved by, full Council in accordance with the Council's Budget Setting Procedure
g	Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137	Medium	Low	Grant applications are considered by the Full Council. Section 137 grants would be listed separately in the annual accounts
h	Proper, timely and accurate reporting of the Council business in the minutes	Medium	Low	Council minutes are prepared by the Clerk. They are distributed to members in advance of the subsequent meeting. At that meeting they are amended if necessary, verified as a correct record and signed. Recommendations from committee minutes are considered at the next council meeting and, if agreed, so resolved. Committee minutes are approved and signed as a correct record at the next full council meeting

Ref	Description	Impact	Likelihood	Mitigation
i	Meeting the laid down timetables when responding to consultation invitations	Low	Low	Every effort is made to meet specified timetables when responding to consultation invitations
j	Register of members' interests and gifts and hospitality in place, complete, accurate and up to date	Low	Low	The members' register of interests is held by CDC and a copy is held by the Clerk. 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
k	Health and Safety issues	High	Medium	Health and Safety Risk Assessments carried out regularly (see separate documentation)
l	Cover for key staff during holidays, absence due to illness, etc.	Medium	Medium	There is usually no cover for period of Clerk's leave (Councillors may give unpaid assistance if necessary);. In exceptional circumstances the Clerk will make alternative arrangements

## 4.2 Internal Controls

Ref	Description	Implementation
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 3.3 (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 RFO on an annual basis as required. The Clerk's stipend is agreed by the full Committee.
d	Regular returns of VAT	The Council is below the "de minimis" level for VAT
e	Staff performance monitoring	The performance of the Clerk is kept under review by the Chair and Members of the PC
f	Procedures for dealing with and monitoring loans made or received	There are no outstanding loans made or received at this time
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 by the Clerk
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. Copies of responses are available to all members on request

Ref	Description	Implementation
j	Documented procedures for document receipt, circulation, response, handling and filing	The Clerk receives and deals with all mail. All relevant mail is referred to the council for consideration or for information.
k	Procedures in place for recording and monitoring members' interest and gifts and hospitality received	See 4.1 (j)
l	Adoption of Codes of Conduct for members and employees	The Council adopted the Cotswold District Council Code of Conduct. At present there is no other statutory code for employees
m	Responding to electors wishing to exercise their rights of inspection	The right of inspection by electors is adhered to in accordance with current legislation and the Westonbirt with Lasborough PC Publication Scheme. In accordance with the Freedom of Information Act, all relevant documents are available on request or by post and meeting schedules are available on the council's website.
n	Proper document control	Paperwork is retained in accordance with national guidelines and is available for viewing on request.
o	Computer data safety	All necessary procedures and documents are computerised. The Clerk's computer is backed up using an external hard drive and continuous on-line backup.
p	Valuable documents	Valuable documents including deeds and leases would be stored at the Gloucestershire Record Office with copies held by the Clerk.
q	Security of personal data	The Council will safeguard data in accordance with the Data Protection Act and Freedom of Information Act

### 4.3 Internal Audit Assurance

Ref	Description	Implementation
a	Review of internal controls and their documentation	See 2.3 (a)
b	Review of minutes to ensure legal powers in place, recorded and correctly applied	See 4.1 (b)
c	Testing of income and expenditure from minutes to Cash Book, to Building Society Pass Book, 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	This is undertaken as part of the Internal Audit process. Reports are presented to Full Council and minuted accordingly
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 Council. Similar reporting to Council will be made as part of the internal audit