

MEARE PARISH COUNCIL

RISK MANAGEMENT POLICY AND RISK ASSESSMENT

Meare 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 Parish Council.

The Clerk (who is also the Responsible Financial Officer) 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.

“Governance and Accountability for Local Councils: A Practitioners’ Guide 2017” makes the following observations regarding risk management.

1. Risk Management is the process whereby local councils methodically address the risks 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.

2. 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.

It goes on to make the point that Councillors are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, at least once each year members should:

- a. take steps to identify and update their record of key risks facing the Council
- b. evaluate the potential consequences to the Council if an event identified as a risk takes place
- c. decide upon appropriate measures to avoid, reduce or control the risk or its consequences and
- d. record any conclusions or decisions reached.

To identify the risks facing a council, the Guidance recommends 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
- (iii) Areas where there may be need to self-manage risk.

AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK.

SECTION 1:

1A RISK IDENTIFICATION

a . Protection of physical assets e.g. buildings, furniture, equipment (loss or damage)

All physical assets are insured with Ecclesiastical Insurance under Policy no. SCO119736/208721. 3 year agreement terminates 31st May 2023.

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

Meare Parish Council 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 £150,000 for both Councillors and employees.

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 Parish Clerk and presented to the Council with the Annual Accounts each year. The Asset Register is presented on the website.

b. Regular maintenance arrangements for physical assets

Maintenance of buildings, sites and equipment is undertaken on a responsive basis, in addition to budgeted Capital Projects for major refurbishment.

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

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

d. Ensuring robustness of insurance providers

The Council currently uses Gallagher Insurance Broker which is considered to be a robust provider. Other providers will be considered before the termination of the long term agreement.

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 are submitted to Council.

b. Review of management arrangements regarding insurance cover

This forms part of the review by Council 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 will 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 buildings, amenities or equipment

The Parish Council owns the Playing Field where storage containers are located for the storage of maintenance equipment. CCTV cameras are installed around the containers with the ability to record and transmit images to appropriate persons

b. Maintenance for buildings, amenities or equipment

All premises are maintained within approved budget. In-house maintenance is undertaken where possible and contractors used as needed, with quotations received in advance of all works unless the work is of an urgent nature ie replacement of broken windows, water leak or similar. Regular grounds maintenance is undertaken at the Playing Field and children's play area, Muddy Lane.

c. Banking arrangements including borrowing or lending

The Financial Regulations are reviewed annually by the Council. All cheques are signed by two mandated members. The Council reviews the schedule of payments at the monthly meetings. The Town Council has one loan through the Public Works Loan Board.

Hirer's Liability Insurance is in place with Gallagher Insurance under the Council's Policy.

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.

b. Clear statements of management responsibility for each service

Under Standing Orders the Council is guided and advised on appropriate best practice.

c. Regular scrutiny of performance against targets

See (b) and (d)

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

Invoices are subjected to scrutiny by both the Clerk and the cheque signatories.

e. Regular bank reconciliation, independently reviewed

Bank statements are received monthly and are checked by the Clerk. Reconciliation is undertaken and recorded on bank statements and checked by a member of the Finance Committee.

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 are submitted to Council.

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

The Clerk advises the Council to ensure that it does not act 'Ultra Vires' (outside of its powers) when a decision is taken. 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 internal 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 that contribute to prevent and deter fraud and corruption

d. Review of adequacy of insurance cover provided by suppliers

Any contractors working for the Council 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 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 has a loan through the Public Works Loan Board, taken out to support the building of a new Village Hall. The correct procedures were undertaken to secure this loan, through the Somerset Association of Local Councils.

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

The Council is responsible for reviewing Staff Contracts and other matters related to Staffing which it reports when necessary. Salary forecasts are undertaken as part of the budget setting process. Independent legal advice is taken as necessary. Annual membership of South West Councils (Employment Advisers) is maintained.

e. Ensuring all requirements are met under HM Revenue and Customs Notices and regulations (Income Tax, National Insurance and VAT)

The Clerk meets all such requirements together with the Internal Audit process.

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

The Clerk prepares a draft budget proposal. This is put to the Finance Committee for recommendations before being presented to and approved by Council in accordance with the Council's budget setting procedure.

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 HM Revenue and Customs; contracts of employment for all staff, systems of updating records for any changes in relevant legislation.

Returns are duly completed by the Town Clerk on an annual basis. Salaries are calculated by the Ripple Accounts. Contracts of employment are approved by Councillors. Staffing issues are dealt with in accordance with the Councils complaints procedure.

d. Regular returns of VAT.

The Clerk prepares the VAT returns half yearly.

e. Regular budget monitoring statements

Budget monitoring statements are prepared by the Clerk and circulated to members at the monthly Council meetings.

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

See Section 3. Risk Identification (h). There is one outstanding loan from the Public Works Loan Board.

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. Approved minutes are placed on the Councils website.

h. Documented procedures to deal with enquiries from the public

Calls and letters are dealt with as soon as practicable in accordance with the Councils Community Engagement Policy. In such cases, acknowledgement of the enquiry is made.

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

The Clerk receives and delegates all mail. All relevant mail is included on the full Council agenda for consideration or for information.

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

See Section 3. Risk Identification (m)

k. Adoption of Codes of Conduct for members and employees

The Council adopted the model Code of Conduct on 17th May 2022

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 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 bank statements and 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

See Table 3. Internal Audit Assurances (c)

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

Updated by the Clerk and presented to Council on 20th March 2023