

## 11. RISK MANAGEMENT POLICY

### 12.1 INTRODUCTION

Enborne 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 Enborne Parish Council. The Clerk will review risks on a regular basis, including any newly identified risks, and will report to Enborne Parish Council. The review will include identification of any unacceptable levels of risk.

### 12.2 DEFINITIONS

Risk management is not just about financial management: it is about setting objectives and achieving them in order to deliver high quality public services. This approach places the emphasis on Enborne Parish Council strengthening its own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers

### 12.3 RESPONSIBILITIES

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Members should:

- take steps to identify key risks facing Enborne Parish Council
- evaluate the potential consequences to Enborne Parish Council if an event identified as a risk takes place
- decide upon appropriate measures to avoid, reduce or control the risk or its consequences

### 12.4 IDENTIFYING RISKS

The risks facing Enborne Parish Council can be identified by grouping the three main types of decisions that have to be taken into the following areas:

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

### 12.5 AREAS OF RISK

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

<b>R e f</b>	<b>Risk</b>	<b>Impact</b>	<b>Poss ibility</b>	<b>Mitigation</b>
a	Damage to physical assets e.g. buildings, furniture, equipment	High	Med	All physical assets are insured with AVIVA Insurance under Policy: RGBDX6962034

<b>Ref</b>	<b>Risk</b>	<b>Impact</b>	<b>Possibility</b>	<b>Mitigation</b>
b	Risk of damage to third party property or individuals as a result of Enborne Parish Council providing services or amenities to the public	High	Low	Enborne 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)	Low	Med	Included in insurance policy cover
d	Loss of cash through theft or dishonesty (fidelity guarantee)	Medium	Low	Enborne Parish Council has Fidelity Guarantee cover up to £150,000 for both all members and employees. Large unexpected withdrawals invite a telephone check from the bank to the Clerk
e	Legal liability as a consequence of asset ownership (public liability)	High	Low	See (b)

#### **Internal Controls**

<b>Ref</b>	<b>Description</b>	<b>Implementation</b>
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 Enborne Parish Council and updates cover as required
d	Ensuring robustness of insurance providers	There are three main insurers for local councils – Zurich Municipal, AVIVA and AON. EPC uses Aviva and the RFO is confident that Aviva Insurance cover is sufficiently robust.

#### **Internal Audit Assurance**

<b>Ref</b>	<b>Description</b>	<b>Implementation</b>
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 Enborne Parish Council reviews the effectiveness of the internal audit process annually
b	Review of management arrangements regarding insurance cover	This forms part of Enborne Parish Council's review at time of annual renewal

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

Ref	Description	Impact	Possibility	Mitigation
a	Vulnerability of equipment including fire, flooding, theft and vandalism	High	Medium	Crime Reports are obtained for all breaches of security by contacting Thames Valley Police
b	Ensuring adequate maintenance equipment, including repair of damage	Medium	Low	Contingency budget can 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	Low	Low	Currently no services are provided by WBC on behalf of EPC.
d	Banking services and possibility of fraud	Low	Low	Reviewed annually by Council. Two members to sign all cheques. The Full Council reviews all payments
e	Professional services, contractors etc.	Medium	Medium	Enborne Parish 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 uses are well established and often selected on recommendation. Usually a short-list of three is drawn up

### Internal Controls

Ref	Description	Implementation
a	Regulations dealing with the award of contracts for services or the purchase of capital equipment	Enborne Parish Council has Standing Orders and Financial Regulations that govern the awarding of contracts. The Financial Regulation were last reviewed and adopted in May 2016. Updated Standing Orders will be presented to Council at the May meeting
b	Regular reporting on performance by contractors / suppliers	Reports are delivered to Enborne Parish Council
c	Review of contracts	Contracts are reviewed by staff and subsequently by Enborne Parish Council as part of its contract award and monitoring processes
d	Clear statements of management responsibility for each service	Standing Orders define the responsibilities Committees
e	Regular scrutiny of performance against targets	See above

Ref	Description	Implementation
f	Arrangements to detect and deter fraud and/or corruption	Invoices are subjected to scrutiny by both the RFO and the two cheque signatories, who are councillors. An interim internal audit was carried out in Oct 217.
g	Regular bank reconciliations, independently reviewed	Bank statements are received monthly and are seen by the Clerk /RFO. A reconciliation is presented at each full Council meeting at which time the bank balances are confirmed

#### Internal Audit Assurance

Ref	Description	Implementation
a	Review of internal controls and their documentation	See above
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 Enborne Parish Council does not act 'Ultra Vires' when a decision is taken. It would be recorded in the minutes if Enborne Parish Council decided against the Clerk's advice. Where appropriate, legal powers bestowed on Enborne Parish 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 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 EPC are asked for proof of insurance cover

#### (c) Areas Where There May Be Need for Self-Managed Risk

Ref	Description	Impact	Possibility	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 above
c	Complying with restrictions on borrowing	Low	Low	Enborne Parish 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

<b>Ref</b>	<b>Description</b>	<b>Impact</b>	<b>Possibility</b>	<b>Mitigation</b>
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 Enborne Parish 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 are listed separately in the annual accounts
h	Ensuring compliance with the General Data Protection Regulation from 25 May 2018	Medium	Low	Policies and procedures are updated by the clerk and approved by full council, who are the Data Controller.
i	Proper, timely and accurate reporting of Enborne Parish 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
j	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
k	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 the Clerk and a copy is held by WBC. 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
l	Health and Safety issues	High	Medium	Health and Safety Risk Assessments carried out regularly (see separate documentation)
m	Cover for key staff during holidays, absence due to illness, etc.	High	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

## 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 above
c	Regular returns to the Inland Revenue; contracts of employment for all staff, annually reviewed by Enborne Parish Council, systems of updating records for any changes in relevant legislation	Inland Revenue returns are duly completed by the RFO on an annual basis. Salaries are calculated by the RFO and checked by the Chairman of Council and during internal audit. Staffing issues are referred to the Staffing Committee
d	Regular returns of VAT	The RFO is responsible for VAT returns and these are reviewed by Council. Enborne Parish Council checks that the RFO receives adequate training in all financial matters that relate to council business
e	Staff performance monitoring	Staff appraisals are undertaken annually according to Enborne Parish Council's HR procedures and reported to Enborne Parish Council
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 sent to Berkshire Records Office at appropriate intervals. Further 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. 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	Documented procedures for document receipt, circulation, response, handling and filing	The Clerk receives and delegates all mail. All relevant mail is listed with council or a committee for consideration or for information. Mail for action by administration staff is dealt with accordingly and filed when actions are completed
k	Procedures in place for recording and monitoring members' interest and gifts and hospitality received	See above

<b>Ref</b>	<b>Description</b>	<b>Implementation</b>
l	Adoption of Codes of Conduct for members and employees	Enborne Parish Council adopted the West Berkshire Council Code of Conduct. Employees' Code of Conduct is in accordance with their individual contracts of employment. 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 EPC 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 Enborne Parish Council's noticeboards.
n	Proper document control	Paperwork is retained in accordance with national guidelines and is available for viewing on request. All incoming and outgoing mail is logged
o	Computer data safety	All necessary procedures and documents are computerised. Relevant areas of the Clerk's computer is backed up using an external hard drive
p	Valuable documents	Valuable documents including deeds, leases and past Council minutes are stored at the Berkshire Record Office with copies held by the Clerk.
q	Security of personal data	Enborne Parish Council will safeguard data in accordance with the Data Protection Act and Freedom of Information Act, and the General Data Protection Regulation from 25 May 2018.

#### **Internal Audit Assurance**

<b>Ref</b>	<b>Description</b>	<b>Implementation</b>
a	Review of internal controls and their documentation	See above
b	Review of minutes to ensure legal powers in place, recorded and correctly applied	See above
c	Testing of income and expenditure from minutes Excel spreadsheets, from bank statements to Excel, 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	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 appropriate committee or council. Similar reporting to Council will be made as part of the internal audit