



RISK MANAGEMENT POLICY

Denny Lodge 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 Denny Lodge 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 Council. The review will include identification of any unacceptable levels of risk.

The Local Councils Governance and Accountability Guidance – a Practitioners Guide 2010 edition makes the following observations regarding risk management.

The focus of good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences. Risk management is not just about financial management: it is about setting objectives and achieving them in order to deliver high quality public services.

It goes on to make the point that Members are ultimately responsible for risk management because risk threatens the achievement of policy objectives. Members should, therefore –

- a. take steps to identify 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.
- d. 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:

- 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-managed risk.

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

1 RISK IDENTIFICATION- Insurance cover for risk is the most common approach to certain types of inherent risk:

a. Protection of physical assets

All physical assets are insured.

b. Public Liability

DLPC has a Public Liability Insurance of £10,000,000. It has also personal accident liability cover for employees, members and volunteers under the above policy.

c. Employers Liability

DLPC has an Employers Liability Insurance of £10,000,000

d. Loss of cash

e. Fidelity guarantee

f. Libel and Slander

g. Commercial legal protection

h. Office equipment

i. Personal accident

2 INTERNAL CONTROLS

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

The Asset Register is reviewed annually by the Clerk and members receive a regularly updated list.

b. Regular maintenance for physical assets

The clerk will maintain the physical assets.

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

The Clerk reviews the insurance cover annually, makes recommendations for approval by Council and updates cover as agreed

3 INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the Clerk, finance group and Internal Auditor. Recommendations are submitted to Council.

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

1 RISK IDENTIFICATION

a. Security for vulnerable buildings, amenities or equipment

The Clerk's home is insured and council equipment secure.

b. Maintenance for vulnerable buildings, amenities or equipment

In-house maintenance is undertaken where possible and contractors used as needed.

c. Banking Services

Reviewed not less than every 4 years by Council. All cheques require two signatures. Council review all payments.

d. Provision of amenities/facilities

Council currently has no amenities/facilities.

e. Professional services, contractors etc.

The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) providers of any professional service it requires.

2 INTERNAL CONTROLS

a. Standing Orders and financial regulations dealing with the award of contracts for services or purchases

The Council has Standing Orders and financial regulations that govern the awarding of contracts/purchases.

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

Invoices are subjected to scrutiny by both the Clerk and the cheque signatories. Variation in salary payments is fully justified before payment. Staff overtime is only approved by full Council. Expenses are only approved after submission of fully detailed claim form.

c. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and are reconciled by the Clerk. These are initialled by the Chairman. Bank reconciliation is included at every meeting.

3 INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Recommendations from the Clerk, finance group and Internal Auditor are submitted to Council.

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

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 of arrangements to prevent and detect fraud and corruption

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

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

1 RISK IDENTIFICATION

a. Keeping proper financial records in accordance with statutory regulations

Financial records are kept in accordance with the statutory requirements 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

There is currently no borrowing.

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

Inland Revenue calculations are made by HMRC Real Time Information and are subject to the audit process. Salary forecasts are undertaken as part of the budget

setting process.

e. Ensuring all requirements are met under Customs and Excise regulations

All such requirements are met by the Clerk and the Internal Audit process

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

The budget is reviewed and approved by Council annually.

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

Grant applications are considered by Council within the parameters of the grants policy. Section 137 grants are listed separately in the annual accounts

h. Proper, timely and accurate reporting of the Council business in the minutes

Council minutes are distributed to Members well in advance of the subsequent meeting who check the draft for accuracy and then verify as a correct record as one of the first items of business of that meeting and signed at the meeting. Failure to do so is recorded. Any working party notes are presented to full Council for information and ratification and are included in the minutes.

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

The Council has adopted the publication scheme under the Freedom of Information Act 2000 and has its own written policy.

j. Proper document control

Paperwork is retained in accordance with national guidelines and shown in Council's 'Retention of Documents' policy. Relevant documents are available for viewing on request. The council is registered for data protection.

k. Register of members' interests and gifts and hospitality 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 New Forest District Council. It is the responsibility of Members to notify the Clerk of changes. The entries are reviewed annually.

2 INTERNAL CONTROLS

a. Regular scrutiny of financial records and proper arrangements for the approval of expenditure

Payment schedules are submitted to Council for approval prior to payments being made at each council meeting.

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 the Inland Revenue; contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by Council

Inland Revenue Returns are completed and submitted by the clerk. Salaries are calculated by HMRC Real Time Information and are subject to internal audit. Staffing issues are referred to the Chairman for recommendation to Council.

d. Regular returns of VAT

The Clerk is responsible for completion and submission of VAT returns and these are submitted at least annually or more frequently according to level of expenditure.

e. Developing system of performance measurement

In accordance with legislation, staff appraisal for the clerk will be undertaken

annually, by Chairman.

f. Minutes properly numbered with a master copy kept in safekeeping

All Council, Committee and Working Party minutes are correctly numbered. These are loose leaf and signed. Original copies are kept in the Clerk's office. They are also kept as computer files which are backed up locally and remotely.

NB. Currently the Council has no committees or working parties.

g. Documented procedures to deal with enquiries from the public

Calls, letters and e-mails are dealt with as soon as practicable unless referred to Council. In such cases, acknowledgement of the enquiry is made. All contacts are recorded.

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

The Clerk receives all mail. (Including email) All relevant mail is listed for consideration of information. Mail for action by administration is dealt with accordingly and filed when actions are completed. All mail is date stamped upon receipt. A list of all information received is kept with a copy sent to each councillor each month.

i. Adoption of Codes of Conduct for members.

The Council has adopted the Code of Conduct.

3 INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the Clerk, Chairman 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. Computer data safety

All necessary procedures and documents are computerised and all relevant areas of Clerks computer is backed-up daily to external hard drive and to remote storage.

Adoption date	May 2016
Reviewed	May 2017
Reviewed	May 2018
Review Date 3	May 2019
Review Date 4	Sep 2020
Review Date 5 due)	May 2021
Review Date 6	
Review Date 7	



COUNCIL RISK MANAGEMENT RECORD MAY 2020

Risk Area	Risk Identified	Level of risk H/M/L	Management of Risk	Action required	Review date (due)
Section One: Areas where there may be scope to use insurance to help manage risk					
Property and contents owned by the council	Loss or damage	M	An up to date register of assets and investments in place- itemised and insured. Insurance level reviewed annually.	None	May 2021
Damage to third party property or individuals	Public liability	H	Insurance cover reviewed annually.	None	May 2021
Consequential loss of income or the need to provide essential services following critical damage, loss or nonperformance by a third party	Public liability	H	Insurance cover reviewed annually.	None	May 2021
Loss of cash through theft or dishonesty	Fidelity guarantee	M	Insurance level £100,000.	None	May 2021
Legal liability as a consequence of asset ownership	Public liability	M	Insurance cover reviewed annually.	None	May 2021

Risk Area	Risk Identified	Level of risk H/M/L	Management of Risk	Action required	Review date (due)
Section Two - Working with others to help to manage Risk					
Security for vulnerable buildings, amenities or equipment.	Office equipment in clerk's home.	H	Home insured & equipment kept securely.	Maintain insurance and vigilance.	May 2021
The provision of services being carried out under agency / partnership agreements with principal authorities	Standing orders and financial regulations dealing with the award of contracts	L	Standing orders and financial regulations revised annually	None	May 2021
Banking arrangements, including borrowing or lending	Detect and deter fraud or corruption	L	Standing orders and financial regulations revised annually. Finance approved by full council. Bank statements checked by Chairman.	None	May 2021
Ad hoc provision of amenities/facilities for events to local community groups	Public Liability	L	Standing orders and financial regulations revised annually. Public liability insurance £10M	None	May 2021
Vehicle or equipment lease or hire		N/A	N/A	N/A.	N/A
Trading units	External contractors for maintenance	N/A	N/A	N/A	N/A
Professional services (architects, accountancy, design, etc.)	Standing orders and Financial regulations deal with the awarding of contracts	L	Standing orders and financial regulations revised annually.	None	May 2021

Risk Area	Risk Identified	Level of risk H/M/L	Management of Risk	Action required	Review date(due)
Section Three - Self Managed Risk					
Proper financial records	In accordance with statutory requirements	L	Standing orders and financial regulations revised annually. 'governance & accountability' guidance followed. Records reviewed by Council.	None	May 2021
Business activities	Ensuring that they are within the legal powers of councils. Ensuring that they can continue in absence of clerk or chairman	L	Standing orders and financial regulations revised annually. Continuation of business policy in place and reviewed.	None	May 2021
Employment law and Inland Revenue regulations	Ensuring that requirements are met	L	Standing orders revised annually. Current HMRC and employment guidance followed. Employment contracts reviewed annually. Salaries reviewed annually	None	May 2021
VAT	Ensuring that requirements are met under HMRC regulations	L	Standing orders and financial regulations revised annually. Current HMRC guidance and 'governance & accountability' guidance followed. Claim submitted at least annually.	None	May 2021
Annual precept	Ensuring adequacy within sound budgeting arrangements	L	Standing orders and financial regulations revised annually. 'Governance & accountability' guidance followed. Precept reviewed annually against budget.	None	May 2021
Monitoring performance	Monitoring outcomes and costs of all activities. Reviewing activities at Council. Constantly reviewing finance levels.	L	Action points on minutes all followed-up. Bank reconciliation at each Council meeting. Budget kept under review.	Reviews to be undertaken regularly	May 2021

Risk Area	Risk Identified	Level of risk H/M/L	Management of Risk	Action required	Risk Area
Grants	Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137	L	Standing orders and financial regulations revised annually 'governance & accountability' guidance followed. Grant policy in place. All grants minuted and S137 shown separately.	None	May 2021
Council Minutes	Proper, timely and accurate reporting of council business in the minutes	L	Draft minutes checked by members and final minutes agreed at council meeting. Minutes circulated 7-14 days before next meeting. Minutes available on website.	None	May 2021
Rights of inspection		L	Notice of Audit displayed for appropriate times on notice-boards Freedom of information policy in place.	None	May 2021
Quality parish status	Meeting the requirements for Quality parish status or other accreditation	L	Guidance with council	None unless clerk applies for CiLCA	Review date May 2021
Document control	Proper systems	L	Policy in place and reviewed	None	May 2021
Register of Members' Interests and Gifts and Hospitality	In place, complete, accurate and up to date	L	Register in place. Copies with monitoring officer at NFDC. Reviewed annually	None	May 2021

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