



Dodderhill Parish Council

DPC 22-005 - RISK MANAGEMENT POLICY

Dodderhill Parish Council is committed to identifying and managing risk and as a result should have in place a system to help manage it. This system needs to be flexible to cater for any developments over time.

Using the following procedures and ensuring that risk is maintained at an acceptable level, action that is felt necessary will be undertaken by Dodderhill Parish Council.

Risk management is increasingly important and there is now an expectation on parish councils to be explicit in their approach to it. The failure to manage risk effectively can be expensive in financial terms and in terms of service delivery;

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 Guide – 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.

The Council should therefore ensure that it:

- ❖ Identifies key risks facing the council
- ❖ Evaluates the potential to the council of one of these risks taking place; and
- ❖ Agrees measures to avoid, reduce or control the risk or its consequence
- ❖ Record any conclusions or decisions reached

Areas of risk to a Parish Council might include the following:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income, petty cash etc.
- Injury to the public in playgrounds and recreation grounds, in village halls, etc.
- Compliance with legal requirements – agendas and minutes, policies etc. Councillor propriety non-declarations of interests, disregarding the Code of Conduct etc.



Dodderhill Parish Council

The Council needs to consider each of the possible risks under each of the identified schemes. For example physical assets could be lost as a result of fire or flood, damage by vandals, theft or simply deterioration through lack of maintenance. All these risks can be minimised or transferred by various means, such as taking out insurance, securing alarms or by regular inspection and maintenance.

In addition to identifying risk it is a good idea to make a judgment about the likelihood of the risk occurring and its potential impact.

There are three main ways of managing risk:

- A. Take out insurance
- B. Work with another party to reduce the risk; or
- C. Manage the risk yourself

A. 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:

i. Protection of physical assets

All physical assets are insured.

ii. Public Liability

DPC has a Public Liability Insurance of £10,000,000.

iii. Employers Liability

DPC has an Employers Liability Insurance of £5,000,000

iv. Officials' and Trustees' Indemnity

v. Employee Dishonesty vi.

Property Damage vii.

Business Interruption

viii. Crisis Management ix.

Contents and Money x.

Internet and Email

2 INTERNAL CONTROLS

i. 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.

ii. Regular maintenance for physical assets

Seats, bus shelter and notice boards are monitored through the council members and playground equipment covered under a reporting system through contractors. The Village Hall is also monitored through the Clerk and council members.



Dodderhill Parish Council

- iii. 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

- i. Review of internal controls in place and their documentation

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

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

1 RISK IDENTIFICATION

- i. Security for vulnerable buildings, amenities or equipment

The office and Clerks home is insured and council equipment secure. The Village Hall is insured. ii. Maintenance for amenities and equipment Contractors are used as needed.

A weekly inspection is carried out on amenities.

- iii. Banking Services

Reviewed annually by Council.

All payments by cheque require two signatures.

Council review all payments.

Authority delegated to Clerk to transfer between the current account and other accounts to ensure sufficient funds in place to pay bills.

- iv. Provision of amenities/facilities

A hire agreement for the use of the football pitch is reviewed and signed annually.

- v. 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

- i. 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.

- ii. Arrangements to detect and deter fraud and/or corruption.

Invoices are subjected to scrutiny by both the Clerk and council members.

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.

- iii. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and are reconciled by the Clerk.



Dodderhill Parish Council

A Bank reconciliation is included at every Parish Council Meeting. Quarterly financial checks are also carried out by a member of the council, this is signed off when completed.

3 INTERNAL AUDIT ASSURANCE

- i. Review of internal controls in place and their documentation.
Recommendations from the Clerk and Internal Auditor are submitted to Council.
- ii. 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.
- iii. 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.

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

1 RISK IDENTIFICATION

- i. 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.
- ii. Ensuring all business activities are within legal powers applicable to Parish Councils
See Section B Internal Audit Assurance (3.)
- iii. Complying with restrictions on borrowing - There is currently no borrowing.
- iv. 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.
- v. Ensuring all requirements are met under Customs and Excise regulations.
DPC is VAT registered and all such claims against VAT are met by the Clerk and the Internal Audit process.
- vi. Ensuring the adequacy of the annual precept within sound budgeting arrangements.
The budget is reviewed and approved by Council annually.
- vii. 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.



Dodderhill Parish Council

- viii. 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. They are then approved at the meeting and signed thereafter as an accurate record. Any working party notes are presented to the Parish Council Meeting for information and ratification and are included in the minutes.
- ix. 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.
- x. Proper document control

Paperwork is retained in accordance with national guidelines and shown in the Council Retention of Documents Policy. The Council is registered for data protection.
- xi Register of members' register of interest is held by the Monitoring Officer at Wychavon District Council. It is the responsibility of Members to notify the Clerk of changes.

2 INTERNAL CONTROLS

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

Monthly payment schedules are submitted to Council for approval prior to payments being made.
- ii. Recording in the minutes the precise powers under which expenditure is being approved.

See Section B Internal Audit Assurance (3)
- iii. 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 PATA Payroll. Salaries are calculated using Real Time Information software which is HMRC compatible. All returns are subject to internal audit.
- iv. Regular returns of VAT

The Clerk is responsible for completion and submission of VAT returns on a quarterly cycle in accordance with HMRC Vat regulations.
- v. Developing system of performance measurement.

In accordance with legislation, staff appraisal for the Clerk will be undertaken annually, by the Chair of the Staffing Committee.
- vi. Minutes are properly numbered with a master copy kept in safekeeping.

All Council, Committee and Working Party minutes are correctly numbered. They are retained as computer files and stored remotely on a cloud-based system.
- vii. 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.



Dodderhill Parish Council

- viii. 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.
- ix. Adoption of Codes of Conduct for members.
The Council has adopted the Code of Conduct.

3 INTERNAL AUDIT ASSURANCE

- i. 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.
- ii. Review of minutes to ensure legal powers in place, recorded and correctly applied.
See Section B Internal Audit Assurance (3)
- iii. Computer data safety.
All necessary procedures and documents are computerised and all relevant areas of Clerk's computer is stored remotely.