

Henham Parish Council

RISK MANAGEMENT POLICY AND RISK ASSESSMENT – 2023-24

Risk Management Policy

Henham Parish Council is committed to identifying and managing risks, using the following procedures; the council will strive to maintain a “low” risk policy at all times.

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

The NALC/JPAG Governance and Accountability Guidance makes the following observations regarding risk management:-

1. Risk management is not just about financial management; it is about setting objectives and achieving them in order to deliver high quality public services.
2. 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 risk threatens the achievement of policy objectives. Members should, therefore –

- 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 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 for self-managed risk.

SECTION 1

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

1A RISK IDENTIFICATION

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

All physical assets are insured with Aviva via BHIB Insurance Brokers under Policy LCO00320. The policy cover is from 1 June to 31 May in each year.

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

Henham Parish Council has a Public Liability Insurance cover of £ 10M and Employers Liability of £10M.

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 £ 250,000 for all members 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 Responsible Financial Officer and presented to the Council with Annual Accounts each year end.

b. Regular maintenance of physical assets

Members undertake regular inspection of sites and equipment. The hedging and general areas in the village are kept clean and risk free.

The trees located on the village greens are inspected every two years and the Parish Council is ongoing in taking remedial action as recommended by the arborist report prepared in 2019. The next tree inspection will take place in August 2023 with a view to undertaking any remedial work later in 2023.

All ditches are inspected annually.

As regards the allotments, the Parish Council has appointed a volunteer supervisor who ensures tenants are properly managed and reports any concerns to the Chair of the Parish Council. The Parish Council corresponds with all allotment tenants formally once a year and on taking a tenancy the allotment rules are provided to the new tenant. The Allotment rules are based on national guidelines.

There is a container owned by the Parish Council in the cemetery car park which houses village fete and event equipment. The Chair has the key.

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

The Responsible Financial Officer reviews the insurance cover annually, makes recommendations, as necessary to the Council and updates cover as required.

The Responsible Financial Officer also reviews and updates a list of HPC contractors and keeps copies of their Public Liability Insurance.

d. Ensuring robustness of insurance providers

There are two main insurers for local councils – Zurich Municipal and AON. Henham Parish Council uses BHIB Insurance Brokers following the transfer of business from Aon UK Ltd. Insurance is with Aviva Insurance Limited and the RFO is confident that AON Insurance cover is sufficiently robust.

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 from the Clerk and Internal Auditor are submitted to the Council

b. Review of management arrangements regarding insurance cover

This forms part of the Council review 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 are 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 and equipment

The Clerk's office is at the Clerk's House, where current financial documents (bank statements), the council cheque book (for business account) and "work-in-progress" documents are kept. All historical documents, such as council minutes, planning applications, etc. are kept in filing cabinets in OSCA.

In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Crime reports are obtained for all breaches of security by contacting Essex Police.

b. Maintenance for vulnerable buildings, amenities or equipment.

HPC does not have any buildings within its Asset Register. However, village benches, fences, etc. are regularly inspected by Members and maintained by retaining the services of local craftsmen.

c. Banking arrangements, including borrowing or lending.

HPC maintains two accounts with Barclays Bank – a Community Account (current) and a Business Saver Account (interest). HPC also maintains three cash accounts with the Nationwide.

HPC does not have any borrowing or lending commitments.

d. Ad hoc Provision of amenities/facilities for events to local community groups

In May 2023 there will be a mini celebration at Wood End Green to celebrate the King's Coronation. HPC are organising the event and will prepare their own risk assessment in accordance with their insurer guidelines, all necessary licences have been applied for. The summer fete committee is run by volunteers and will be assisting in the running of the event on the day.

e. Trading units (leisure centres, playing fields, burial grounds, etc.)

Henham Cemetery next to the allotments is owned by the Parish Council and managed by PCC. The cemetery by the Church is full and is maintained and managed by the Parochial Church Council.

Henham Village Hall is owned by the residents of the Parish. The Parish Council are the Custodian trustees on behalf of the residents and delegate the Management, Operation and Maintenance of the Village Hall to the independent Henham Village Hall Registered Charity no 301340 and its management committee. The Charity carries its own Public Liability insurance with Zurich Policy No. XAO1220742333 (26 November 2022 to 27 November 2023) in the sum of £5,000,000 and hirers liability of £2,000,000. The Village Hall management committee are responsible for the day to day management of the Hall and all activities based there. They have responsibility to ensure the Hall is adequately maintained, insured and complies with all applicable current legislation for safe operation and the safeguarding of children and young adults.

f. Professional services (planning, architects, accountancy, design, etc.)

The Council will 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. Ideally a short-list of three is drawn up.

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. These were last reviewed in March 2020 and adopted in March 2020. There have been no updates since apart from changes to the Financial Regulations and Standing Orders regarding (a) clarification that VAT is exclusive on public contracts over £25,000 and that (b) the requirement to obtain 3 quotes can be amended to a requirement to use reasonable endeavours to obtain 3 quotes, approved at 1 December 2022 HPC council meeting.

b. Regular reporting on performance by suppliers/providers/contractors

This takes place at the council meetings.

c. Annual review of contracts

All contracts are reviewed annually by full council.

d. Clear statement of management responsibility for each service

Committees have delegated management responsibility

e. Regular Scrutiny of performance against targets

See b. above

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

Invoices are subjected to scrutiny by the RFO, Internal Auditor, Full Council and cheque signatories. Payment of invoices is agreed by members at council meetings and cheques must be signed by two designated signatories.

g. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and are managed by the Clerk (RFO) and the Internal Auditor. A Financial Statement is presented to full council quarterly.

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 from the Clerk and Internal Auditor are submitted to the Council.

b. Review of minutes to ensure legal powers are available on 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 is recorded if the Council decides against the Clerk's advice. Where appropriate, legal powers bestowed on the Council will be recorded in the minutes against the 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 consideration 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 Henham Parish Council are asked for proof of insurance cover. The clerk has a record of their public liability 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 full Council and minuted accordingly.

SECTION 3

AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

3A INTERNAL CONTROLS (note: NALC document does not have a Risk Identification table in this section)

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

Approval for expenditure on any item, activity or service (excluding small items such as stationery and stamps), is agreed by full council.

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 reviewed by Council

Salaries are fixed by the full Council at the November meeting and commence from the beginning of the following financial year, and are subject to Independent Internal audit. Staffing issues are referred to the Chairman for further discussion by the full council.

Henham PC has one employee – the Clerk. The council is an HMRC registered Employer and the Clerk's payroll is run using HMRC's Basic PAYE Tools.

d. Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary.

The Clerk as RFO is responsible for completion and submission of VAT returns.

e. Developing system of performance measurement

In accordance with legislation, staff appraisals will be undertaken annually by the Chairman and Vice Chairman in the case of the Clerk. They are reported to the Council

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

Currently, the council is not involved in the giving or receiving of loans. However, if such activities were undertaken, the council would adopt the procedures described in the JPAG Governance & Accountability Practitioners' Guide.

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

All Council minutes are correctly dated. These are loose leaf and signed. Original copies are kept in the Minute books in the clerk's office for the current year and then archived at OSCA and posted on the village website.

h. 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 enquiry is made

i. Documented procedures to deal with responses to consultation requests

Consultation requests are referred to the full Council. They may be further delegated to a Committee or Working Party. The course of action taken is minuted. Copies of correspondence are available to all Members on request.

j. Monitoring arrangements by the council regarding Quality Council status

Currently not applicable.

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

The Clerk receives all mail. Mail for action is dealt with accordingly and filed when actions are completed. Circulation of mail for information only is circulated to all Members. The majority of communication is now in the form of email, the majority of which is transmitted to all Members and archived electronically.

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

The members' register of interests is held by the Monitoring Officer at Uttlesford District Council. To the best knowledge of the Clerk these are accurate and up-to-date. It is the responsibility of Members to notify the Monitoring Officer of UDC of any changes.

m. Adoption of Codes of Conduct for members and employees

The Council adopted the updated Uttlesford District Council Code of Conduct in March 2023 – all Members have signed up to the 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.

3B 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 from the Clerk and Internal Auditor are submitted to Council as and when appropriate.

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, from bank statement to accounts records, from minutes to statement

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 deter fraud and corruption

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


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 or appropriate Committee. Similar reporting to Council will be made as part of the independent internal audit

f. Computer data safety

All necessary procedures and documents are computerised and all relevant areas of Clerks computers are backed up regularly. Access to the Clerk's computer is password protected and data is backed up on a regular basis.

Reviewed and Agreed

Signed.......... Date..... 17.5.23

Chairman