

# **Upton upon Severn Town Council**

## **Risk Management Policy**

Upton upon Severn Town 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 as appropriate by the 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 risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services.*

It goes on to make the point that Councillors are ultimately responsible for risk management because risk threatens the achievement of objectives. Councillors 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

Upton upon Severn Town Council 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

Upton upon Severn Town Council has Employers Liability Insurance of £5M

- 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 at the time of annual audit and members receive an updated list.

- b. Regular maintenance for physical assets

Regular inspections identify maintenance needs.

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

The insurance cover is regularly reviewed and amended where required.

## 3 INTERNAL AUDIT ASSURANCE

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

Internal controls are reviewed as necessary by the Clerk, Finance & Assets Committee 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 council's buildings are insured and council equipment secure. CCTV is present and keyholders are known.

- b. Maintenance for vulnerable buildings, amenities or equipment

Maintenance is undertaken where possible and contractors used as needed.

- c. Banking Services

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

- d. Provision of amenities/facilities

A robust inspection regime is in place. Areas are inspected with a frequency relating to risk. CCTV is present in the Memorial Hall and at the New Street Play Area.

- 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 office staff and councillors who authorise payments. Variation in salary payments is fully justified before payment.

c. Regular bank reconciliations

Bank statements are received monthly and are reconciled. Payment lists are initialised by the Mayor. Bank reconciliation is carried out monthly.

### 3 INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Recommendations from the Clerk, Finance & Assets Committee and Internal Auditor are submitted to Council.

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

c. Complying with restrictions on borrowing

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

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

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 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. Task and Finish Groups and Committees make regular reports to Council meetings.

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. Relevant documents are available for viewing on request. The council is registered as a data controller with the Information Commissioner's Office.

- k. Register of Members' Interests and gifts and hospitality in place, complete, accurate and up-to-date

The Members' Register of Interest is accessible from the Town Council's website and held by the Monitoring Officer at Malvern Hills District Council. It is the responsibility of Members to notify the Clerk of changes.

## 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 at each council meeting.
- b. Awareness of the precise powers under which expenditure is being approved
- c. Regular relevant returns to HMRC; contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by Council. HMRC Returns are completed and submitted by the clerk. Staffing issues are referred to the Staffing Committee.
- d. Regular returns of VAT  
Completion and submission of VAT returns, submitted quarterly or more frequently according to level of expenditure.
- e. Developing system of performance measurement  
In accordance with legislation, staff appraisal will be undertaken annually.
- f. Minutes properly identified with a master copy kept in safekeeping  
All Council and Committee minutes are correctly dated. These are loose leaf and signed. Original copies are kept in the Town Council office. They are also kept as computer files which are backed up locally and remotely.
- g. Procedures to deal with enquiries from the public  
Calls, letters and emails are dealt with as soon as practicable unless referred to Council. In such cases, acknowledgement of the enquiry is made. Documentation is retained.
- h. Documented procedures for document receipt, circulation, response, handling and filing  
The Town Council office receives all mail (including email). All relevant mail is circulated to Councillors for consideration or information. Mail for action by administration is dealt with accordingly and filed when actions are completed.
- 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, Finance & Assets Committee and Internal Auditor. Recommendations are submitted to Council.
- b. Review of minutes to ensure legal powers in place, recorded and correctly applied
- c. Computer data safety  
All necessary procedures and documents are computerised and held in the Cloud.