

# PULHAM MARKET PARISH COUNCIL

Mrs L. Shulver, 59D High Road, Wortwell, Harleston, Norfolk, IP20 0HA, Telephone 01986 788048

## Pulham Market Parish Council

### Risk Management Policy.

#### **1. Risk Management Policy**

##### **General Statement**

**Pulham Market 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 the Pulham Market Parish Council.**

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 Local Councils Governance and Accountability Guidance make 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 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.

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.

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## Risk Assessments

The regime should be developed based on a risk assessment and provide a practical and reasonable approach to the risks and potential consequences identified.

**Risk Impact**-The impact of a risk occurring should be quantified on a scale of 1 to 3 assessed as follows:

1. minor or low impact;
2. medium, noticeable impact;
3. major, high or serious impact.

The impact is quantified by assessing the extent of damage likely to be caused should the risk become an incident.

**Risk Probability**-The probability of a risk occurring should also be quantified on a scale of 1 to 3 assessed as follows:

1. low probability;
2. medium probability;
3. high probability.

## RISK MATRIX

PROBABILITY ↓			
Highly Likely (3)			
Possible (2)			
Unlikely (1)			
IMPACT →	Negligible (1)	Moderate (2)	Severe (3)

Multiply the two scores achieved (from likelihood and impact) to give you a score which is either high, medium or low.

- Yellow is low
- Green is medium
- Red is high

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## **SECTION 1**

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

#### **RISK IDENTIFICATION**

##### **a. Protection of physical assets e.g. buildings, furniture, equipment and regalia**

All physical assets are insured with Aviva BHIB Insurance.

**Risk – Low**

##### **b. Risk of damage to third party property or individual as a result of the Council providing services or amenities to the public**

Pulham Market Parish Council has a Public Liability Insurance. It has also personal accident liability cover for employees, members and volunteers under the above policy.

**Risk - Low**

##### **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.

**Risk - Low**

The probability of damage is calculated as medium risk and the impact of this is identified as low because the insurance would cover replacement cost

#### **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 Council with Annual Accounts each year

##### **b. Regular maintenance for physical assets**

The Clerk and playing field working group undertake regular inspection of the playing field. Maintenance of buildings, sites and equipment is undertaken on a responsive basis and playground and equipment is checked independently by RoSPA on an annual basis.

##### **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 as required

##### **d. Ensuring robustness of insurance providers**

The council is confident that Aviva Insurance cover is sufficiently robust.

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## 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.

### **b. Testing of specific internal controls and reporting findings to management**

This is undertaken as part of the audit process. Reports are presented to full council meetings and minuted accordingly

## **SECTION 2**

### **AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK**

#### RISK IDENTIFICATION

##### **a. Security for vulnerable buildings, amenities or equipment**

The Council's public building, the Memorial Hall the playing field and pavilion, has a playing field working group who periodically check to ensure the building is secure. The Memorial Hall is NOT alarmed,

The Clerk's office is at the Clerk's house.

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 Harleston Police.

#### **Risk - Medium**

The probability of breach of security is calculated as medium risk and the impact of this is identified as medium risk as we are reliant on the playing field working party or the facility users to secure the building, however the insurance would cover any damage.

##### **b. Maintenance for vulnerable buildings, amenities or equipment**

All premises are maintained within approved budget. In-house maintenance is undertaken where possible and contractors used as needed, with quotations received in advance of any.

#### **Risk - Low**

The probability of any maintenance required is calculated as a low risk and the impact of this is identified as low risk as there are budgets in place for maintenance that must be approved, the financial regulations require several quotes to ensure best value.

### **c. Banking Services**

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Reviewed periodically by council. All payments require two authorisations from the council. The full Council reviews all payments.

## Risk - Medium

### **d. Provision of amenities / facilities for local community groups**

The Council has approved the use of its playing field and the pavilion on a charge basis. Users are advised to ensure their own public liability insurance cover.

## Risk - Low

### **e. Professional services, contractors etc.**

The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires, including approved contractors. Any professionals whose services it uses are well established and often selected on recommendation. Ideally a short-list of three is drawn up.

## Risk - Medium

The probability of any professional services or contractors required is calculated as a medium risk and the impact of this is identified as medium risk as the council use recommended contractors and once proven longer term contracts are drawn up, according to the 'Businesses/persons undertaking work for the Parish Council'. (Policy.)

## 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 are reviewed annually.

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

Invoices are subjected to scrutiny by both the RFO and the online signatories who are two Councillors.

### **c. Regular bank reconciliations, independently reviewed**

Bank statements are received online and are seen by the Clerk (RFO). A reconciliation is carried out by the RFO monthly and reported to the full council meeting, a nominated councillor checks and approves the bank reconciliation.

## INTERNAL AUDIT ASSURANCE

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## **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 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 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 the council are asked for proof of 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**

#### RISK IDENTIFICATION

#### **a. Keeping proper financial records in accordance with statutory regulations**

Financial records kept in accordance with the statutory requirements fall with the responsibility of full council and are reviewed as part of the Audit process

#### **Risk - Medium**

The probability of any financial records not being kept in accordance with regulations is calculated as a medium risk and the impact of this is identified as medium risk as the council is presented with the financial statements and budget reviews at each meeting, and their accounts are internally and externally audited.

#### **b. Ensuring all business activities are within legal powers applicable to Parish Councils**

See Section 2 Internal Audit Assurance (b.)

#### **Risk - Low**

#### **c. Complying with restrictions on borrowing**

The Council is within the current borrowing perimeters.

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## Risk - Low

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

Inland Revenue calculations are made using HMRC online software and are subject to the audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are recommended by the designated councillor to Full Council for adoption. Independent legal advice is taken as necessary.

## Risk - Medium

The probability of the requirements not being kept in accordance with regulations is calculated as a medium risk and the impact of this is identified as medium risk as the council is presented with budget statements at each meeting and there is a working party to review the Clerks salary.

### **e. Ensuring all requirements are met under Customs and Excise regulations (especially VAT)**

All such requirements are met by the Responsible Financial Officer and the Internal Audit process

## Risk - Low

The probability of the VAT not being kept in accordance with regulations is calculated as a low risk and the impact of this is identified as low risk as the Clerk keeps VAT records for reclaiming.

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

Budgets are reviewed by full Council in accordance with the Council's budget procedure

## Risk – Low

The probability of the inadequacy of sound budgeting is calculated as low risk and the impact of this is identified as medium risk as the Clerk and the Chair provides the council with options for budgeting and setting the precept.

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

Grant applications are considered by the full Council for approval. Section 137 grants are listed separately in the annual accounts

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## Risk - Low

Proper use of funds is calculated as a low risk and the impact of this is identified as low risk as the council has a grant awarding policy.

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

Council minutes are prepared by the Clerk. They are distributed to Members in advance of the subsequent meeting, verified 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. Working party reports are presented to full Council for information and comment and are signed as a correct record at the subsequent council meetings.

## Risk - Low

The probability of the minutes and records not being kept proper, timely and accurate is calculated as a low risk and the impact of this is identified as low risk as the Clerk records draft minutes at the meeting which are then checked for accuracy by Chair and Vice Chair of the Council, these are then circulated to all the members as soon as possible after the meeting.

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

The rights of inspection to electors is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant documents are available on demand by post and in addition, meeting schedules and minutes, once approved, are published on the Council's website.

## Risk - Low

The probability of the requirements not being kept in accordance with regulations is calculated as a low risk and the impact of this is identified as low risk as the council has a clear policy with the information available under the model publication Scheme and a website that provides information openly to the public.

### **j. Meeting the laid down timetables when responding to consultation invitations**

Every effort is made to meet specified timetables when responding to consultation invitations

## Risk - Low



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The probability of the timetables not being kept is calculated as a low risk and the impact of this is identified as low risk as the council has monthly meetings allowing a flexible timetable.

## **k. Proper document control**

Paperwork is retained in accordance with national guidelines, and relevant documents are available for viewing on request. Personal data is processed lawfully, fairly and transparently; collected for specified, explicit and legitimate purposes only.

**Risk - Low**

The probability of documents not being properly controlled is calculated as a low risk and the impact of this is identified as low risk as the council has clear policies set out including a record management policy and a general data protection regulation policy.

## **l. Register of members' interests and gifts and hospitality is 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 South Norfolk Council. To the best knowledge of the Clerk these are accurate and up-to-date. It is the responsibility of Members to notify the Clerk of changes.

**Risk - Low**

### INTERNAL CONTROLS

#### **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 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 RFO. Salaries are calculated by NALC recommended rates and are subject to internal audit. Staffing issues are referred to the nominated councillor for recommendation to Council.

#### **d. Regular returns of VAT**

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The Clerk as RFO is responsible for completion and submission of VAT returns the claiming of VAR must be within 1 year or when the claim is over £100 whichever ever is first. The claim is presented to Council.

## **e. Developing system of performance measurement**

In accordance with legislation, staff appraisals will be undertaken annually, by two designated councillors in the case of the Clerk, and by the Clerk in the case of other staff. These are reported to Council.

## **f. Procedures for dealing with and monitoring grants, or loans, made or received**

See Table 1 Risk identification (h.) There is no outstanding loan made. See Table 2 loan outstanding, repayment schedule.

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

All Council and Committee minutes are correctly numbered. These are loose leaf and signed copies are sent Norfolk Record Office at appropriate intervals. Original copies are kept in Minute books in the Clerk's office

## **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 full Council. In such cases, acknowledgement of enquiry is made.

## **i. Documented procedure to deal with responses to consultation requests**

Consultation requests are referred to Council. They may be further delegated to a working group. The course of action taken is minuted. Copies of correspondence are available to all Members on request

## **j. Monitoring arrangements regarding Quality Council status**

Currently not applicable

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

The Clerk receives and delegates all mail including electronic mail. All relevant mail is listed with Council for consideration of information. Mail for action by administration is dealt with accordingly and filed when actions are completed.

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

See Section 3 Risk identification (l.)

## **m. Adoption of Codes of Conduct for members and employees**

The Council adopted the Code of Members Conduct in May 2011. Employees' Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

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## INTERNAL AUDIT ASSURANCE

### **a. Review of internal controls in place and their documentation**

Internal controls are reviewed as necessary by the Clerk and the Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to full Council after the audit is complete.

### **b. Review of minutes to ensure legal powers in place, recorded and correctly applied**

See Section 2 Internal Audit Assurance (b.)

### **c. 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 full Council. Similar reporting to Council will be made as part of the internal audit

### **d. Computer data safety**

All necessary procedures and documents are computerised and all relevant areas of Clerk's computers are backed-up on a regular basis. The Council has a General Data Protection Regulation Policy.