



# Longstanton Parish Council

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*The Village Institute, 24 High Street, Longstanton, CB24 3BS*

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*Parish Clerk: Mrs Libby White*

## **RISK MANAGEMENT POLICY AND RISK ASSESSMENT**

(adopted at the Council meeting on 12<sup>th</sup> May 2014)

Longstanton Parish Council (LPC) 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 deemed necessary will be taken by Longstanton Parish Council.

The Clerk and/or appointed Councillors will review risks on a regular basis 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 (LCGAG) makes the following observations regarding risk management.

- a) Risk Management is not only about financial management; it is about setting objectives and achieving them in order to deliver high quality public services.
- b) 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.

The LCGAG further states that Members are 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 of 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 the Council, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken in the following areas:

- 1) Areas where there may be scope to use insurance to help management risk.
- 2) Where there may be scope to work with others to help manage risk.
- 3) Where there may be need for self-managed risk.

## **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 Zurich Municipal under Policy No.YLL-2720437553.
- b) Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public.**  
LPC has Public Liability Insurance of £12,000,000. It also has Personal Accident Liability cover for employees, members and volunteers.
- c) Risk of consequential loss of income or need to provide essential services following critical damage, loss or non-performance by a third party.**  
Included in Insurance Policy cover.
- d) Loss of cash through theft or dishonesty by any Councillor, Clerk or Employee of the Parish Council (Fidelity Guarantee).**  
LPC has Fidelity Guarantee cover up to £250,000.

#### Internal Controls:

- a) Maintain an up-to-date register of assets and investments.**  
An Asset Register is compiled annually and maintained by the Clerk and presented to the Council with the Annual Accounts each year.
- b) Regular maintenance for physical assets.**  
Appointed persons (ROSPA where applicable) to undertake inspection each year of:
  - The Recreation Ground
  - Street Furniture
  - Children's Playground
  - Parish Office
  - Bus Shelters
  - Cemetery  
RoSPA carry out an independent inspection of the Playground in April each year.
- c) Annual Review of risk and adequacy of insurance cover.**  
The Responsible Financial Officer reviews the insurance cover annually, makes recommendations, as necessary to the Parish Council and updates cover as required.
- d) Ensuring robustness of insurance providers.**  
There are two main insurers for local councils – Zurich Municipal and Allianz Cornhill. LPC uses Zurich Municipal. The Clerk is confident that Zurich Municipal cover is sufficient.

#### 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 Parish Council.

**b) Review of Management arrangements regarding insurance cover.**

This forms part of the review by the Parish Council at the time of renewal.

**c) Testing of specific internal controls and reporting findings.**

This is undertaken as part of the audit process. Reports are presented to the Parish Council and minuted accordingly.

## **SECTION 2.**

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

Risk Identification.

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

The office of the Parish Council in the Village Institute has a Caretaker who ensures the building is secure. The Caretaker is a key holder and lives locally.

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

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

The office of the Parish Council is maintained within an approved budget. Maintenance is undertaken by approved contractors as required and in accordance with the Council's Financial Regulations 2014.

**c) Banking Services**

Reviewed periodically by the Parish Council. All cheques require any two signatories of Members listed on the Mandate. The Parish Clerk is not a signatory. The Council review all payments and bank statements monthly.

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

The Council has approved use of its recreation ground for the following users:

Longstanton Football Club

Longstanton Cricket Club

Longstanton Bowls Club

Longstanton Tennis Club

Friends of All Saints Church

Other users must apply, in writing, to the Parish Council for permission to use the Recreation Ground.

**e) Professional services/contractors**

LPC acts in accordance with its Financial Regulations and Standing Orders in obtaining professional services and contractors.

## Internal Controls

**a) Standing Orders and Financial Regulations dealing with the award of contracts for services or the purchase of capital equipment.**

The Council have Standing Orders that govern the awarding of contracts. These were last reviewed in May 2014.

**b) Clear statements of management responsibility for each service.**

Under Standing Orders the Parish Council have management responsibility for its budgets.

**c) Arrangements to detect and deter fraud and/or corruption.**

Invoices are subject to scrutiny by both the Responsible Financial Officer and the cheque signatories who are Councillors and the Clerk.

## Internal Audit

**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/or the Internal Auditor are submitted to the Parish Council.

**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 the 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 LPC 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 Council and entered in the minutes 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 within the responsibility of the Parish Council 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 (b)

- c) Complying with restrictions on borrowing.**  
The Council is within the current parameters.
- d) Ensuring that all requirements are met under employment law and Inland Revenue regulations.**  
All payroll duties are met by Cambridge Acre and are subject to the audit process. Salary forecasts are recommended as part of the budget setting process and incremental increases are recommended to full council for adoption. Independent legal advice is taken as necessary.
- 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.
- f) Ensuring the adequacy of the annual precept within sound budgeting arrangements.**  
The Budget is reviewed and approved by full Council in accordance with the Council's budget procedure.
- g) Ensuring the proper use of funds granted to local community Bodies under specific powers or Section 137**  
Grant applications are considered by full council for approval. 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 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. Committee minutes will be provided to Councillors and are signed as a correct record at the subsequent Committee meetings.
- 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, will be published on the Council's website.
- j) Meeting the laid down timetable when responding to consultation Invitations.**  
Every effort is made to meet specified timetables when responding to consultation invitations.
- k) Proper document control**  
Paperwork is retained in accordance with national guidelines and relevant documents are available for viewing on request.
- l) Register of members' interests, gifts and hospitality**  
The members' register of interest is held by the Clerk and a copy is held by the Monitoring Officer of SCDC. 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.

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.

**c) Monthly returns to the Inland Revenue (HMRC), Contracts of employment for all staff, systems of updating records for any changes in relevant legislation reviewed by the Council.**

Inland Revenue and VAT returns are completed and submitted by the RFO. Salaries and expenses are calculated by the RFO. Records are maintained by the RFO and are subject to annual internal and external audit.

**d) Development of a 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, and by the Clerk in the case of other staff. Appraisals are reported to full Council.

**e) Procedures for dealing with and monitoring grants, or loans, made or received.**

Grants received are reported to full Council at the earliest possible time.

Reports on expenditure for all grants made to be presented to full council within 12 months of issue.

**f) Minutes are in numerical sequence with the master copy kept in a safe place.**

All minutes are correctly signed and numbered. Original copies kept in a minute book in the Clerks office.

Chairman: .....

Vice-Chairman: .....

Clerk: .....