



CHARVIL

PARISH COUNCIL

2018

**CHARVIL PARISH
COUNCIL
=
FINANCIAL
REGULATIONS AND
RISK MANAGEMENT
POLICY
2018**

NEXT REVIEW DUE MAY 2019

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RISK MANAGEMENT POLICY

SECTION 1: AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK

1A RISK IDENTIFICATIONS

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

All physical assets are insured with AXA Insurance UK Ltd under Policy RGBDX6962034. The insurance is cross-checked with the Council's Asset Register annually or as required (e.g. in case of materials additions). See also 1Ba

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

CPC has Public Liability Insurance of £10,000,000. It also has personal accident liability cover for employees, members and volunteers under the above policy.

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).

CPC has Fidelity Guarantee cover up to £25,000 for all employees. Funds are further protected through dual signatory banking arrangements by Councillors.

e Legal liability as a consequence of asset ownership (public liability).

See (b) above.

f Employer's Liability Insurance

CPC has Employer's liability Insurance cover up to £10 Million

g Risk to individual Councillors and/or Employees

CPC has insurance to protect the interests of individual Councillors and employees, whose actions, where conducted within CPC's Standing Orders and financial regulations, are considered to be conducted by CPC as a legal entity.

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 should be presented to CPC with Annual Accounts each year.

b Regular maintenance for physical assets

The Council Staff undertake regular inspections of the facilities. Maintenance of buildings, sites and equipment is undertaken on a responsive basis, in addition to budgeted Capital Projects for major refurbishment. Playground equipment is checked by Council Staff weekly and independently by ROSPA on an annual basis. Trees are periodically checked visually for any hazards weekly; in case of any health and safety concerns noted or in keeping with statutory guidance timescales, specialist arboriculture advice is sought.

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

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

d Ensuring robustness of insurance providers.

There are four main insurers for local councils – AZA Insurance, Zurich Municipal, Norwich Union and Cornhill. CPC uses AXA Insurance and the RFO is confident that AXA 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 CPC.

b Review of management arrangements regarding insurance cover.

This forms part of 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 CPC and minuted accordingly.

d Amenities and delegated financial responsibilities

A separate internal review / audit of the Amenities procedures and financial arrangements is undertaken annually by a nominated person, who is not a member of the Amenities committee and is recommended to be entirely separate to CPC.

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 or equipment.

The Council's owned and leased amenities, including Charvil Amenities, are let to several regular users who ensure buildings are secure after use. Amenities are also used by several ad hoc hirers and security is ensured by the assistant clerk, or if it is a late-night booking, then by Taurus Security. The Village Hall is alarmed. In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Keys and alarm codes are held by the Clerk, Assistant Clerk and other delegated Councillors as appropriate. CPC reviews security for its amenities from time to time.

b Maintenance for vulnerable buildings, amenities or equipment.

All premises are maintained within approved budget unless the Contingency Budget has to be used for emergency measures. In-house maintenance is undertaken where possible and contractors used as needed, with quotations received in advance of all works. The Amenities Committee makes recommendations to the Finance Committee (and thereby to Full Council) for any more substantial maintenance requirements (e.g. roof repair).

c Banking Services.

Two members to sign all cheques or if using internet banking, two members to approve electronically an order to be drawn up by the clerk. If Direct Debits are to be set up, these must be approved by full council and the instruction signed by two members. The Full Council reviews all payments

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

CPC has approved the use of its sites for the fete on a free-of-charge basis. Users are required to ensure their own public liability insurance cover.

CPC may approve occasional other free use of its amenities by charity and community groups – any such instances to be approved by and recorded at full Council.

e Professional services, contractors etc.

CPC endeavours to 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.

CPC has Standing Orders that govern the awarding of contracts. These are fully reviewed every two years (or as required where there are material changes to applicable regulations).

b Regular reporting on performance by contractors/suppliers.

This is done on an ad hoc basis at Council and Amenities meetings

c Review of contracts.

Contracts are reviewed by staff and subsequently by CPC as part of its budget process, in line with the Standing Orders and CPC's financial regulations, including endeavours to receive sufficient quotations to assure best value.

d Clear statements of management responsibility for each service.

Under Standing Orders, the Amenities Committee has delegated management responsibility for its own budgets, subject to the overall CPC budget.

e Regular scrutiny of performance against targets.

See (b) and (d).

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

Invoices are subjected to scrutiny by both the RFO and are reviewed by the Chair of Finance (or their deputy) at each Council meeting. Cheque signatories are councillors – any two from a list of four.

g Regular bank reconciliations independently reviewed.

Bank statements are received weekly and are seen by the Clerk (RFO). A reconciliation is presented at each CPC meeting at which time the bank balances are confirmed. Bank reconciliations are spot-checked twice per year by the Chair of Finance or other delegated Councillors, including at year end. Bank Statements and reports will be presented from financial software at least twice a year at separate Finance meetings

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 Council annually and actions arising are reviewed and monitored.

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 CPC does not act 'Ultra Vires' when a decision is taken. It is recorded if CPC decides against the Clerk's advice. Where appropriate, legal powers bestowed on CPC 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 CPC 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 CPC are asked for proof of insurance cover, where applicable and appropriate.

e Testing of specific internal controls and report findings to management.

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

SECTION 3: AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

3A RISK IDENTIFICATION

a Keeping proper financial records in accordance with statutory requirements.

Financial records kept in accordance with the statutory requirements fall within the responsibility of CPC 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(C) Internal Audit Assurance (b)

c Complying with restrictions on borrowing.

CPC has no current borrowing arrangements. Should CPC look to borrow funds for capital expenditure, such a decision is to be taken by full Council and in line with statutory legislation (currently the Local Government Act 2003, which requires the permission of the Secretary of State)

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

Inland Revenue calculations are made by the Clerk and subject to the Audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are approved by Council. Independent legal advice is taken as necessary.

The Local Government Pension Scheme (LGPS) is offered to all employees in line with current legislation and CPC adheres to the living wage.

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 budgets for the village's major amenities are set by the Amenities Committee and the Chair of Finance. It is then reviewed along with the Parish Council budget by Finance Committee and approved by full Council in accordance with CPC's budget setting procedure.

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

Grant applications are considered by CPC. Section 137 grants are listed separately in the annual accounts.

h Proper, timely and accurate reporting of CPC business in the minutes.

CPC minutes are prepared by the Clerk. They are distributed to members in advance of the subsequent meeting, verified as a correct record as the first business of that meeting and signed at the meeting. Failure to do so is recorded. Committee minutes are reviewed at the next full Council meeting and actions and resolutions from committee minutes are adopted.

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

The rights of inspection by electors is adhered to in accordance with current legislation. In accordance with current legislation, all relevant documents are available on demand (during office hours) or by post and in addition, meeting schedules and minutes are available on CPC's section of the village website. These are reviewed periodically.

j Meeting the laid down timetables 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 is available for viewing during office hours.

I Register of members' interests and gifts and hospitality in place, complete, accurate and up to date.

The Clerk holds the members' register of interests and WBC holds a copy. It is the responsibility of members to notify the Clerk of changes. The register is reviewed by the Clerk on annual basis.

3B 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(B) Internal Audit Assurance (b)

c Regular returns to the Inland Revenue; contracts of employment for all staff, annually reviewed by CPC, systems of updating records for any changes in relevant legislation.

Inland Revenue returns are to be completed by the Clerk on a quarterly basis. Salaries are calculated by the Clerk and checked by the Chair of Finance and during internal audit. Staffing issues are referred to Council's Staffing Committee.

d Regular returns of VAT.

The Clerk as RFO is responsible for VAT returns and these are reviewed by CPC periodically (through delegation to the Chair of Finance or other delegated Councillor(s)). CPC checks that the RFO receives adequate training in all financial matters that relate to council business.

e Developing system of performance measurement.

Staff appraisals are undertaken by the staffing committee, which consists of at least five councillors including the Chairman (ex-officio). These are reported to the appropriate Committee.

f Minutes properly numbered and paginated with a master copy kept in safekeeping.

All Council and Committee minutes are correctly numbered and page numbered. These are loose leaf and signed copies are stored at the Public Record Office in Reading. They are also stored electronically and backed up remotely regularly.

g Documented procedures to deal with enquiries from the public.

Calls and letters are dealt with as soon as practicable unless referred to council or committee. In such cases, acknowledgement of enquiry is made.

h Documented procedures 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 responses are available to all members on request.

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

The Clerk receives all mail (except correspondence relating to lettings, which is received by the Assistant Clerk). All relevant mail is listed with council or a committee for consideration or for information. Mail for action by the Clerk is dealt with accordingly and filed when actions are completed.

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

It is a members' responsibility to inform the clerk of any gifts or hospitality as laid down in the Standing Orders.

k Adoption of Codes of Conduct for members and employees.

The Council adopted the WBC Code of Conduct on 24th July 2012. Employees Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

3C 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 reviewed by the Finance Committee and are submitted to full Council for approval.

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

See Section 2(C) Internal Audit Assurance (b).

c Testing of income and expenditure from minutes to a recognised accounts package, from bank statements to the accounts package, from minutes to statements etc.

The testing of these procedures forms part of the internal controls currently in place. The system is also tested during the audit process and the Amenities internal audit.

d Review and testing of arrangements to prevent and detect fraud and corruption.

The system and controls laid down in Standing Orders is reviewed on a regular basis to check it is robust. No expenditure, transfers or disposal of assets can be made without the signature of two councillors recorded in the appropriate approved signatory list.

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

f Computer data safety.

All necessary procedures and documents are computerised and all relevant areas of the computer are backed up. The computer system is protected by Symantec Norton Antivirus, which incorporates a firewall. Each time the computer is used this automatically backs up all data to a remote server operated by Symantec. Financial records are backed up daily on a cloud based system.

SECTION 4: AMENITIES RISK ASSESSMENT PROCEDURES

a Health and Safety Risk Assessment

This is reviewed and updated annually.

b Fire Risk Assessment

A Fire Risk Assessment and associated action plan is undertaken, reviewed and updated annually by the Amenities Committee Fire extinguishers undergo a certified annual check. A fire alarm system and automated door closer system has been in place since 2016, with appropriate service intervals.