HOLT TOWN COUNCIL

Community Centre, Kerridge Way, Holt, Norfolk, NR25 6DN
Tel 01263 712149

Financial Risk Management Policy

A copy of this Guide is kept in the Town Council offices at the Community Centre

A formal financial risk assessment is part of the Annual Return, as identified in Section 2 part 5 of the Statement of Assurance which is made to the External Auditor and will be inspected by the independent Internal Auditor. This is a requirement of the Code of Audit Practice which came into force on 1st April, 2002, and follows the Accounts and Audit Regulations as amended. This document is written by the Town Clerk who is also the Responsible Financial Officer. It is intended as a working document for the Internal Auditor, Councillors and Town Council employees, and will assist elected members in their responsibilities with regard to risk management and the approval of the Statement of Assurance.

Introduction
Risk Management is the process whereby we methodically address the risks associated with what we do. Risk management will help achieve the objectives of our organisation and improve stewardship of public funds. The Policy is designed to risk manage functions and services provided by the council and strengthen our own corporate governance. It will be reviewed on an annual basis.

Source: Governance and Accountability in Local Councils in England and Wales (2010)

REVIEWED	**JUNE 2018**
REVIEW DATE	**JUNE 2019**

1. Management of Risks through Insurance

The current Insurance Provider is
WPS Insurance Brokers and Risk services
Spargo House
10 Budshead Way
Plymouth
Devon PL6 5FE
Richard.w@wpsinsurance.co.uk
Tel 01752 670440
Fax 01752 229125
Policy No 24697059 CC1

RISK IDENTIFICATION
Protection of Physical Assets owned by the Council (refer Assets Register
1.1 Material Damage:

- Property and Furniture identified in the Assets Register – all risk
- Gates and Walls identified in the Assets Register – impact only
- Office Contents – all risks

<u>Internal Controls:</u>

- Valuation of the above items are detailed in the Fixed Assets Register. This is increased each year and is index linked within the Insurance Policy.
- Our Insurers recommend that buildings should have a professional valuation once every five years.
- The Town Clerk updates the Insurance Policy as the year progresses and checks this against the revised Policy which is received near the renewal date (June).File:Insurance
- The Town Clerk meets with the Insurers annually and prior to renewal to discuss any new requirements or concerns.
- Property maintenance is carried out largely by our maintenance team orby an appointed contractor, who has a public liability for £5million
- Portable electrical equipment used is tested every other year. This is arranged by our Landlord.

1.2 Risk of Damage to Third Party property or individuals as a consequence of the Council providing services or amenities to the public (Appendix 3)
The above are identified as: Street lights / cemetery / shelters / benches / noticeboards / public car park (by permit) / King George V Playing Field / Methodist Memorial Garden / Church Street toilet site.

<u>Internal Controls</u>*<u>:</u>*

- Annual inspection of all street lights by the approved Contractor. This is currently T T Jones Ltd. Reporting of street lighting problems is undertaken by Town Council Staff. A light is either the responsibility of the Town Council, the County Council, a Housing Trust or a developer. Lights which are not the responsibility of the Town Council are reported to the appropriate body.
- Town Council light repairs are generally undertaken within 7 days of reporting and the report is compared to the monthly account presented by

the Contractor. Certain information is requested from people reporting faulty lights: the property the column is nearest, the problem with the light. The Town Council is to re-number all of its lighting columns to avoid confusion in the reporting system.

- Annual inspections should be undertaken by our Contractors.
- Grave digging is arranged by Funeral Directors, who submit risk assessments. Grave digging must be authorised by the Town Council, in the allocated plot. Memorial installation must be undertaken by authorised masons in the allocated plot. Grave plots are allocated by the Town Council, marked by the Town Council, inspected following digging and further inspected following the burial.
- The Town Council operates the cemetery with a comprehensive list of rules and regulations which are reviewed. They are issued to all local Funeral Directors and Memorial Masons and are due to be reviewed.
- Fortnightly inspection of car park area and Peacock Playing Field and Memorial Garden by Council's staff. Report sheets are maintained for the playing field by Contractors and Town Clerk. A detailed annual inspection is undertaken through the National Playing Fields Association.
- Management of the Church Street Toilets is undertaken by Town Council staff, who provide a cleansing, locking and unlocking service.

1.3 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).

The sources of income to the Council are limited, as the services it offers are very small. Its main source of income is the precept.
Essential services are provided by other tiers of government.

1.4 **Loss of cash through theft or dishonesty (fidelity guarantee)**

<u>Internal Controls*:*</u>

- There is currently fidelity guarantee of £100,000. This is the balance of the Town Council at the end of the financial year and half of the budgeted income. This is reviewed annually or on the recommendation of the Internal or External auditor.
- Loss of cash while in transit, or on the premises at the Community Centre is included within the Insurance Policy. Cash is not held on site.
- Loss or theft of miscellaneous cash receipts. (see Appendix 1)
- Loss or theft of stamps and stationery (see Appendix 4)

1.5 Legal liability as a consequence of asset ownership (public liability)

<u>Internal Controls:</u>

- Identified in 1.2.above
- Limit of Indemnity £5,000,000. This is reviewed annually and/or upon advice from National Association of Local Councils (NALC) or The Society of Local Council Clerks (SLCC).

1.6 Employers Liability and Personal Accident

The Town Council employs three part-time members of staff, the Town

Clerk, the Administration Assistant and one maintenance man and one full time maintenance man. There is a personal accident insurance to cover all volunteers taking part in activities arranged by the Town Council. These are identified as monthly working parties on common land and arranged litter picks. There are two volunteer footpath wardens. Risk Assessments have been undertaken for the volunteers and insurers advised.

Internal Controls:

- Limit of Indemnity £10,000,000. This is reviewed annually and /or upon advice from NALC or the SLCC. Certificates of Employers Liability are retained for 40 years, and the current certificate is displayed.
- There is insurance in place for personal accident to cover employees, members and volunteers.
- There is a Code of Practice for working parties (refer Appendix)

1.5 Libel and Slander

Internal Controls*:*

- Sum Insured £250,000. This is reviewed annually and or upon advice from NALC or the SLCC

  General Internal Controls relating to 1.1 – 1.6 above:
- Ensuring the robustness of insurance providers by reference to NALC and the SLCC
- Annual review of the Policy and its content
- Tri-annual review of Insurance providers (next due 2014)
- Notification of all potential claims, without delay to the Insurers
- Maintenance of filing systems (Ref Insurance) and annual review of those systems

2. Management of Risks through help from a third party

RISK IDENTIFICATION

2.1 The Town Council will buy in services from special external bodies, or professional services.

2.2 The Town Council will also take the advice of specialist external bodies, whether statutory or non-statutory.

2.3 The Town Council will also provide ad hoc amenities or facilities for events.

2.4 Service interruption due to long-term absence of the Town Clerk and RFO (refer Appendix)

Internal Controls:

- Standing Orders and Financial Regulations dealing with the award of contracts for services and the purchase of capital equipment. Standing Orders and Financial Regulations are reviewed each year.
- Regular reports are made to council on the performance of suppliers/contractors.
- There are regular budgetary reports to council (quarterly)
- There is a non-independent internal control arrangement for the detecting and deterring of fraud and or corruption and for the ensuring of routine financial maintenance of the council's affairs as prescribed by the Audit Regulations. There is also an independent and competent Internal Auditor appointed (This is reviewed annually) and an External Auditor.

- Legal powers for functions are detailed in the vouchers attached to payments. The Town Council adopted the Power of General Competence in 2012 and has been confirmed in May 2017.

3. Self-management of risks

RISK IDENTIFICATION

3.1 Ensuring that all requirements are met under Employment Law and Inland Revenue Regulations

Internal Controls*:*

- Issuing of Contracts of Employment, annual staff appraisals and job description reviews.
- Completion of time sheets, where applicable
- Maintenance of Personnel files
- Defined channels for addressing concerns for both staff, councillors and members of the public. Complaints Policy and Grievance and Disciplinary Policy are in place. The Complaints Policy was Reviewed in May 2017.
- The council maintains an adequate budgetary provision for the training of staff and councillors.

3.2 Ensuring all financial records are kept in accordance with statutory requirements

Internal Controls:

- Standing orders and financial regulations which are reviewed each year.
- There is a system of non-independent internal control (by a member of the Council.) Such control takes place on a bi monthly basis. Provision of independent and competent internal audit as required by the Accounts and Audit Regulations undertaking system checks twice a year and making a written report to the Council.
- Monthly bank reconciliations of the council bank accounts.

3.3 Ensuring all business activities are within legal powers, ensuring compliance with borrowing restrictions, and ensuring all requirements are met under Customs & Excise.

Internal Controls:

- Refer 3.1 and 3.2 above

3.4 Ensuring the adequacy of the annual precept and within sound budgeting arrangements.

Internal Controls:

- Full Council approval of Budget Dec/January
- Regular quarterly reporting of budgetary matters to Council
- Proper, timely and accurate reporting of Council business in the minutes to include full details on all items of expenditure
- Projected Receipts and Payments drawn up for special activities to identify overall costs and possible losses for consideration by members. (i.e.project financial risk assessments – refer for example Appendix)

3.5 Ensuring Complaints and Enquiries from the public are adequately

addressed.

Internal Controls:

- Defined complaints policy, reviewed annually
- Defined enquiries procedure and where ever possible acknowledgements to enquiries are made within 7 days with full responses within 14 days.

3.6 Proper document control.

Internal controls:

- Provision and maintenance of indexed filing system
- Maintenance of records as required for audit and insurance purposes
- Maintenance of minute book which is properly numbered, paginated and signed with a master copy for safe keeping.
- Update of cemetery books and records, with a master copy for safe keeping
- Procedures for dealing with and monitoring grants or loans, and report to the Town Council. (grant application form to be reviewed 2017)
- Meeting the laid down times for responding to consultation invitation. When this can't be appropriately done, the date of response will be advised to the issuing body.
- Back up system for information in the event of theft or fire at the Community Centre. Electronic and hard copies are kept off site

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

Internal Controls:

- Annual Review (May) of Members Interests, maintained in filing system with a copy sent to the Monitoring Officer. Members are asked to keep these up to date.
- Signed Adoption of Code of Conduct for all members, maintained in filing system.
- Recording in the Minutes.

3.8 Ensuring the proper use of funds granted to local community bodies under specific powers or under Section 137. (see above)

Internal Controls:

- Detailing the above items in the minutes
- Requesting such bodies for statements detailing expenditure to enable monitoring of these funds and substantiate the need for those funds.

3.9 Log Book of all keys and issuing of keys is to be prepared and maintained

- All keys to be identified, and detailed
- Log book to be maintained

Dated 12th June 2017