



# EYE TOWN COUNCIL

## Risk Management Policy

Eye 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 by Eye Town 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 2014 edition makes the following observations regarding risk management:

*“...the focus of good 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 council to deliver high quality public services.”*

It goes on to make the point that the Council generally and Members individually 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 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: -
- (1) Areas where there may be scope to use insurance to help manage risk
  - (2) Areas where there may be scope to work with others to help manage risk
  - (3) Areas where there may be need to self-managed risk.

## **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.
- (b) Public Liability.
- (c) Employers Liability.
- (d) Loss of cash.
- (e) Fidelity guarantee.
- (f) Libel and Slander.
- (h) Office equipment.
- (i) Personal accident.

### **2 INTERNAL CONTROLS**

- (a) Maintain an up-to-date register of Assets and Investments.
- (b) Regular maintenance for physical assets.
- (c) Annual Review of risk and the adequacy and robustness of insurance cover.

### **3 INTERNAL AUDIT ASSURANCE**

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

## **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.
- (b) Banking Services.
- (c) Professional services, contractors etc.

### **2 INTERNAL CONTROLS**

- (a) Standing Orders and Financial Regulations dealing with the award of contracts for services or purchases.
- (b) Arrangements to detect and deter fraud and/or corruption.
- (c) Regular bank reconciliations, independently reviewed.

### **3 INTERNAL AUDIT ASSURANCE**

- (a) Review of internal controls in place and their documentation.
- (b) Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied.
- (c) Review of arrangements to prevent and detect fraud and corruption.

## **AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK**

## **1 RISK IDENTIFICATION**

- (a) Keeping proper financial records in accordance with statutory regulations.
- (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 Inland Revenue regulations.
- (e) Ensuring all requirements are met under Customs and Excise regulations .
- (f) Ensuring the adequacy of the annual precept within sound budgeting arrangements .
- (g) Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137.
- (h) Proper, timely and accurate reporting of the Council business in the minutes .
- (i) Responding to electors wishing to exercise their rights of inspection.
- (j) Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date.

## **2 INTERNAL CONTROLS**

- (a) Regular scrutiny of financial records and proper arrangements for the approval of Expenditure.
- (b) Recording in the budget and minutes the precise powers under which expenditure is being approved:
- (c) Regular returns to the Inland Revenue; contracts of employment and job descriptions for all staff; systems of updating records for any changes in relevant legislation reviewed by Council.
- (d) Regular returns of VAT.
- (e) Developing system of performance measurement.
- (f) Minutes properly numbered with a master copy kept in safekeeping.
- (g) Documented procedures to deal with enquiries from the public.
- (h) Documented procedures for document receipt, circulation, response, handling and filing.
- (i) Adoption of Codes of Conduct for members.

## **3 INTERNAL AUDIT ASSURANCES**

- (a) Review of internal controls in place and their documentation.
- (b) Review of minutes to ensure legal powers in place, recorded and correctly applied.
- (c) Computer data safety.

This policy was adopted by Eye Town Council on 21st February 2018

Signed

..... Mayor.