



Evesham Town Council

Risk Management Policy and Internal Controls

The Local Council's Governance and Accountability Guidance includes the following statements:-

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 makes the point that Members are ultimately responsible for risk management because risk threatens the achievement of policy objectives. "The greatest risk facing a Local Authority is not being able to deliver the activity or services expected of the Council". Member 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.

Section 1

Areas where there may be scope to use insurance to help manage risk

Subject	Risk(s)	Risk Level (H/M/L)	Management/Control of Risk	Review/Assess/Revise
Protection of physical assets e.g. building, furniture.	Identified destruction of physical assets.	L	<p>All physical assets are insured with Zurich Municipal under Policy No: YLL-272007-2203</p> <p>Asset Register is maintained and property reviewed/inspected regularly.</p>	<p>Maintain Asset Register on an annual basis.</p> <p>Caretaker undertakes regular inspections of Town Hall, as does the Town Clerk.</p> <p>Inspection of the Almonry is undertaken regularly by the Manager</p> <p>. Inspections of the Allotment Sites and cemeteries are undertaken by staff on a regular basis.</p> <p>The Mayoral Insignia is to be re-valued, for accurate insurance purposes.</p>
Protection of Third Party property or individuals.	Risk of damage as result of Council providing services or amenities and legal liability as a consequence of asset ownership.	L	<p>ETC has Public Liability of £10m and Personal Accident Liability cover for employees, members and volunteers.</p> <p>Annual Review takes place by RFO</p> <p>Zurich Municipal is one of two main insurers for Councils and robustness is considered as part of RFO's review.</p>	<p>Insurance cover is reviewed annually by the RFO and recommendations made as necessary. Cover updated as required. Review taking place currently 23/2/15</p>
Loss of income or the need to	Consequential losses.	L	<p>This is covered by the Council's insurance policy.</p>	<p>See above.</p> <p>Business continuity plan required</p>

provide essential services following critical damage, loss or non-performance by a third party (consequential loss).				
Loss of cash through theft or dishonesty.	Fidelity losses.	L	The Council has Fidelity Guarantee cover up to £500,000 for both Members and Employees, with £100 excess.	Internal controls are reviewed as necessary by the Clerk and the Internal Auditor. Recommendations are submitted to the Council.
Management failure	Gross breach of a duty of care	L	The Council has insurance cover in the light of the Corporate Homicide and Corporate Manslaughter Act 2007, of £5 million.	Obligations under the H&S laws should be met.

Section 2

Areas where there may be scope to work with others to help manage risk

Subject	Risk(s)	Risk Level (H/M/L)	Management/Control of Risk	Review/Assess/Revise
Security for buildings, amenities and equipment.	Breaches of security.	M	<p>The Council employs a caretaker to lock up the Town Hall.</p> <p>Equipment is stored securely at Waterside Cemetery, locked in garages and in the former chapel. There have been no recent attempts to break in.</p>	<p>Costings for an enhanced lock to both the front door and the Council Chamber are being investigated.</p> <p>Continue to monitor.</p>
Banking Services	Fraudulent payments, financial irregularities etc.	L	All cheques require 3 signatories, one of which is to be the RFO and the other 2 are members. The Council has an investment policy, as well as Standing Orders, and Financial Regulations	Standing Orders and Financial Regulations are reviewed annually as part of the auditing process.
Professional Services, Contractors, etc	Misappropriation of contracts, failure of completion of contracts, etc	L	The Internal Control Policy covers this. Any contractors are reviewed to see if they are on the approved list of contractors for County or District Councils and whose services are well-established. Ideally a short list of 3 is drawn up.	Presently, each committee has responsibility for its own budgets and makes recommendations to Council.
Provision of amenities/facilities for local community groups	Misuse of facilities.	L	<p>Users of the Town Hall are advised to ensure their own public liability insurance cover is in place and it is suggested that users complete risk assessments for all activities taking place.</p> <p>This is also necessary for the use of any other building or site owned by the Council.</p>	Hirers of the town hall are instructed to review the fire safety arrangements, and to appoint a delegated steward who takes on responsibility if there is a fire.

Section 3

Areas where there may be a need to self-manage risk

Subject	Risk(s)	Risk Level (H/M/L)	Management/Control of Risk	Review/Assess/Revise
Financial records	To be kept in accordance with statutory regulations.	L	This falls to the Council/Committee and forms part of the audit review.	Annual Audit both by the Internal and the External Auditor takes place.
Business activities	To be in accordance with legal powers for Town Councils.	L	The Town Clerk looks to ensure that the Council does not act 'ultra vires'. It is recorded should the Council decide to act against the Clerk's advice.	Minutes are reviewed as part of the audit process by the Internal and the External Auditor.
Requirements under Employment Law	Inland Revenue, personnel matters etc to be in accordance with statutory requirements.	L	Salary forecasts are included within budget estimates. All personnel matters are reported to the Chairman of Personnel Committee and the Council employs a company to offer HR advise.	All contracts recently updated
Requirements under Customs and Excise Regulations, including VAT.	Taxation matters to be in accordance with statutory requirements.	L	This is dealt with by the RFO and the Internal Audit .	The Scribe Accounting package is regularly updated and assists with VAT returns.
Annual Precept	Soundness and adequacy. Submission of request to Wychavon District Council and receipt therefrom	L	Committee budgets are reviewed by full Council	This is reviewed by the External Auditor.

Cash	Loss through mishandling, theft, dishonesty	L	A list of all Petty Cash transactions is kept.	An imprest account system is currently being considered
Grants to local community bodies	Proper use under specific powers or Section 137	L	Applications for grants are reviewed by the Grants Committee and then presented to the Council for approval. Section 137 grants are listed separately in the annual accounts.	See minutes
Minuting of Council business	Accuracy of recording	L	Minutes are prepared by Clerk and distributed in advance of the subsequent meeting, verified as a correct record at that meeting and signed by the Chairman. Minutes are presented to Council of all committees.	Minutes are numbered sequentially.. Signed copies are kept within the Office. Minutes are also posted on the Council's website
Rights of Inspection by the public of certain 'open' documents	Adherence to legislation	L	All documents listed for public viewing under legislation are available to view and copies may be provided upon demand at a reasonable cost.	All appropriate requests are actioned.
Consultation documentation	Responses within timescales set	L	In the majority of consultations the matter is presented to Committee. Should the timescale of the consultation and the Town Council's Programme of Meetings mean that this is not possible, the Chairman of the relevant Committee is consulted.	Action upon consultation documents is minuted.
Receipt and retention of documentation	Loss of information	L	Documents and letters are retained in accordance with legislation and incoming mail is date-stamped.	Regular archiving and a new filing system has been introduced
Members Register of Interests	Up-to-date information to be listed	L	The individual Register of Interests form for each Councillor is held by the Monitoring Officer at Wychavon District Council. A copy is retained by the Town Clerk.	It is the responsibility of the individual member to advise of changes.
Election Costs	Requirement to budget – NB democratic	L/M Higher in Election	Estimate costings in election year are obtained from Wychavon District Council.	Requirement to include for by-election within annual budget. This is now done each year. Also

	process	year		included annually is a one-third proportion of the local government elections costs.
Computerised information	Loss of information	L	A remote and automated back-up service of the Town Council's computerised information is provided by Mircoshade systems	A full review of the IT requirements of the Council has been undertaken and files are now hosted remotely.