

## Lingfield Parish Council

### Risk Management Policy and Document Control Procedures

Lingfield Parish Council is committed to identifying and managing risks, using the following procedures and to ensure that risks are maintained at an acceptable level.

Any action that is felt necessary will be taken by Lingfield Parish Council or reported to the relevant authority.

The Clerk will review risks on a regular basis, including any newly identified risks, and will report back to the Parish Council. The review will include identification of any unacceptable levels of risk.

The Local Councils Governance and Accountability Guidance highlights the following observations regarding risk management:-

- Risk management is not just about financial management; it is about setting objectives and achieving them in order to deliver high quality public services
- 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 achievements of policy objectives. Members should therefore:-

- Take steps to identify key risks facing the Council
- Evaluate the potential consequences to the Council if an event identified as a risk takes place
- 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

- Areas where there may be scope to use insurance to help manage risk (Section A)
- Areas where there may be scope to work with others to help manage risk (Section B)
- Areas where there may be need for self-managed risk (Section C)

## Section A

### Areas where there may be scope to use insurance

#### **1**            **Risk Identification**

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

All physical assets are insured with Zurich Municipal.

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

Lingfield Parish Council holds Public Liability insurance of £10,000,000 and £5,000,000 Employer's Liability insurance.

- 1.c            Risk of damage to the Lingfield and Dormansland Community Centre

Lingfield Parish Council holds Buildings Insurance (paid for by LDCC).

- 1.d            Risk of consequential loss of income due to business interruption

Covered by the Management Team of Lingfield and Dormansland Community Centre holding sufficient Reserves.

- 1.e            Loss of cash through theft or dishonesty

Council holds A Fidelity Guarantee of £250,000.

- 1.f            Legal liability

The Council holds cover against legal costs in the following areas; Corporate Manslaughter and Corporate Homicide, Libel and Slander and other legal expenses as detailed in the Schedule.

#### **2**            **Internal Controls**

- 2.a            Maintain an up-to-date register of Assets and Investments

The asset Register is reviewed annually by the Clerk/RFO and submitted to Council as part of the End of Year Accounts.

- 2.b            Regular maintenance for physical assets

Members to carry out regular inspections and complete risk assessments for each asset on an annual basis.

- 2.c. Annual review of risk and adequacy of insurance cover

The Clerk reviews the insurance cover annually, making recommendations as necessary, and updates the cover as required.

### **Internal Audit Assurance**

- 3.a. Review of Internal Controls

Internal controls are reviewed as necessary by the RFO and internal Auditor. Recommendations from the RFO and Internal Auditor are submitted to the Parish Council for consideration/approval.

- 3.b. Testing of specific Internal Controls

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

### *Section B*

*Areas where they may be scope to work with others to manage risk*

#### **1. Risk Identification**

- 1.a. Maintenance of vulnerable equipment

Playgrounds are managed by Tandridge District Council.  
Lingfield and Dormansland Community Centre has its own insurance.

- 1.b. Banking Services

Reviewed periodically by the Parish Council

- 1.c. Professional services and contractors

The Council ensures that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires and the Clerk will ask for quotations on all works. Anyone whose services it uses are well established and often selected on recommendation. A short list of three is drawn up where appropriate.

#### **2. Internal Controls**

2.a. Standing Orders and Financial Regulations

The Council has Standing Orders and Financial Regulations which govern the awarding of contracts. These are reviewed annually.

2.b. Clear statements of responsibility

Under Standing Orders, Lingfield Parish Council has responsibility for its own budgets.

2.c. Arrangements to detect and deter fraud and/or corruption

Invoices are subject to scrutiny by both the RFO and cheque signatories who are councillors. A responsible councillor carries out audit trail checks on random items. The clerk does not sign cheques.

2.d. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and a bank reconciliation forms part of the Finance Report approved at Council meetings.

**3. Internal Audit Assurance**

3.a. Review of Internal Controls

Internal controls are reviewed annually by the Council and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to the Parish Council when appropriate.

3.b. Review of minutes to ensure legal powers are available and the basis of power recorded and correctly applied

The Clerk ensures 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 considering expenditure on items not purchased before, the legal powers bestowed on the Council will be recorded in the minutes against decisions taken.

3.c. Review and testing of arrangements to prevent and detect fraud and corruption

The use of Standing orders, internal controls and consideration by the Parish Council are all methods which prevent and deter fraud and corruption.

3.d. Review of adequacy of insurance cover provided by suppliers.

Any contractors working for Lingfield Parish Council are asked for proof of insurance cover

*Section C*

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

**1 Risk Identification**

- 1.a. Keeping proper financial records in accordance with statutory regulations

Financial and other records are kept in accordance with the statutory requirements and are the responsibility of the Parish Council.

- 1.b. Ensuring all business activities are with legal powers applicable to Parish Councils.

See Section B (3b)

- 1.c. Complying with restrictions on borrowing

The Council has no borrowings.

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

Inland Revenue calculations are made by the RFO and are subject to the Audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are subject to approval by the Parish Council.

- 1.e. Ensuring all requirements are met under Customs and Excise regulations (VAT)

All such requirements are met by the RFO and the internal audit process.

- 1.f. Ensuring the adequacy of the annual precept within sound budgeting process

Budgets are reviewed and approved by the Parish Council in November each year.

- 1.g. Ensuring the proper use of funds granted to Local Community bodies under specific powers or Section 137

Grant applications are considered by the Parish Council. Organisations applying for grants are required to submit copies of their annual accounts.

- 1.h. Proper, timely and accurate reporting of the Council business in the minutes

Council minutes are prepared by the Clerk. They are distributed to all members in advance of the subsequent meeting, verified as a correct record as the first terms of business of the meeting and signed at the meeting.

Committee meetings are listed on the agenda for full Council meetings and accepted as a true record of the committee meetings.

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

The right of inspection for electors is adhered to in accordance with legislation. In accordance with the Freedom of Information Act, all documents are available on request and, in addition, meeting schedules, agendas and minutes are published on the Council's website.

- 1.j. Proper document control

Paperwork is retained in accordance with national guidelines and documents are available for viewing on request. Incoming emails and letters are scrutinised by the clerk and, where appropriate, forwarded to members.

- 1.k. Register of members' interests, gifts and hospitality is in place and up-to-date.

The members' registers of interest are held by the Clerk and a copy is held by the Monitoring Officer at Tandridge District Council. It is also posted onto the Parish Council website. It is the members' responsibility to notify the Clerk of any changes.

## **2 Internal Controls**

- 2.a. Regular scrutiny of financial records and proper arrangements for approval of expenditure

A specific councillor will be responsible for scrutinising financial records and signing a copy of the Financial Report circulated to members with their meeting agenda.

- 2.b. Recording in the minutes the precise powers under which expenditure is being approved

See section B (3b)

- 2.c. Regular returns to the inland Revenue, contracts of employment for staff, systems for updating records for any changes in relevant legislation, reviewed by the Parish Council

Inland Revenue returns are completed and submitted by the RFO and are subject to internal audit. Staffing issues are referred to the Parish Council.

- 2.d. Regular returns of VAT

The RFO is responsible for completion and submission of VAT claims.

- 2.e. Developing a system of performance measurement

In accordance with legislation, staff appraisals/discussions will be undertaken annually by the Chairman and reported to the Council.

- 2.f. Procedure for dealing with and monitoring grants, or loans, made or received

See section C – there is no outstanding loan.

- 2.g. Minutes properly numbered with a signed master copy kept in the Council office for safekeeping

- 2.h. Procedures to deal with enquiries from the public

Calls, letters and emails are dealt with as soon as practicable unless referred to the Parish Council or Committees. In such cases, acknowledgement of the enquiry is made.

- 2.i. Procedure to deal with responses to consultation requests

Consultations responses are formulated by an individual Councillor and agreed by Council or Committee before submission as the Councils view. If the timescale is short, the clerk (in conjunction with the Chairman) has discretion to submit a response prepared by a councillor without approval from the Council.

- 2.j. Procedures for document receipt, circulation response, handling and filing

The Clerk receives and delegates all mail. Mail for action by is dealt with accordingly and filed when actions are completed.

- 2.k. Procedures in place for recording and monitoring members' interests, gifts and hospitality received

See Section C (1.k.)

- 2.l. Adoption of Code of Conduct for members and employees

The Parish Council adopted the District "Code for Parishes' "in 2012. Employees' Code of Conduct is in accordance with their individual contracts of employment.

### **3 Internal Audit Assurance**

- 3.a. Review of internal controls

Internal controls are reviewed as necessary by the Clerk and the Internal Auditor. Recommendations from the Clerk and internal auditor are submitted to the Parish Council

- 3.b. Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied

See Section B (3.b.)

- 3.c. Testing of income and expenditure from minutes to statements etc

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

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

Lingfield Parish Council has a risk assessment policy in place that is reviewed regularly.

- 3.e. Testing of specific internal controls and reporting findings to the Parish Council

Where appropriate,, the results of such testing as part of the internal controls will be reported to the Parish Council and review of internal controls forms part of the internal audit

3.f. Computer data safety

All necessary procedures and documents are computerised and all relevant areas of the Clerks computer are backed up to the Knowhow Cloud which can be accessed from any computer with relevant passwords.

Reviewed May 2019