KELFIELD PARISH COUNCIL

PROPOSED RISK MANAGEMENT POLICY

Table 1 Areas where insurance may be used to manage risk

Risk Identification

Insurance may be used to cover the following inherent risks

1 The protection of physical assets owned by the council – buildings, equipment, furniture etc against loss or damage.

2 Risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability)

3 The 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)

4 Loss of cash through theft or dishonesty (fidelity guarantee)

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

Internal Controls

The Council's internal controls include the following;

1 Maintain an up to date register of assets and investments.

2 Arrange regular maintenance for physical assets.

3 Undertake an annual review of risk and the adequacy of cover.

4 Ensure the robustness of insurance providers.

Internal Audit Assurance

Internal audit testing may include the following;

1 The review of internal controls in place and their documentation.

2 A review of management arrangements regarding insurance cover.

3 The testing of specific internal controls and reporting findings to management.

Table 2 Areas where there may be scope to work with others to manage risk

Risk Identification

1 Security for vulnerable buildings, amenities or equipment.

2 Maintenance for vulnerable buildings, amenities or equipment.

3 The provision of services being carried out under agency/partnership agreements with principal authorities.

4 Banking arrangements, including borrowing or lending.

5 Ad hoc provision of amenities/facilities for events to local community groups.

6 Playing fields etc.

7 Street lighting.

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nternal Controls

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These may include the following;

1 Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capitals equipment.

2 Regular reporting on performance by suppliers/providers/contractors.

3 Annual review of contracts.

4 Arrangements to detect and deter fraud and corruption.

5 Regular bank reconciliation, independently reviewed.

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nternal Audit Assurance

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Internal audit testing may include the following;

1 Review of internal controls in place and their documentation.

2 Review of minutes to ensure legal powers are available, and the basis of those powers recorded and correctly applied.

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

4 Review of adequacy of insurance cover provided by suppliers.

5 Testing of specific internal controls and reporting findings to Council.

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Table 3 Self-Management of Risk

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Internal Controls

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The Council's internal controls include the following;

1 Regular scrutiny of financial records and proper arrangements for the approval of expenditure.

2 Recording in the minutes the precise powers under which expenditure is being approved,

3 Regular returns to HM Revenue and Customs, contracts of employment for staff, regularly reviewed by the Council, systems of updating records for any changes in relevant legislation.

4 Regular returns of VAT, training the responsible officer in matters of VAT and other taxation issues as necessary.

5 Regular budget monitoring statements.

6 Procedures of dealing with and monitoring grants or loans made or received.

7 Minutes should be properly numbered and paginated with a master copy kept in safekeeping.

8 Documented procedures to deal with enquiries from the public.

9 Documented procedures to deal with responses to consultation requests.

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

11 Procedures in place for recording and monitoring Members' Interests and Gifts and Hospitality received.

12 Adoption of Codes of Conduct for members.

Internal Audit Assurances

Internal audit testing includes the following;

1 Review of internal controls in place and their documentation.

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

3 Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc, including petty cash transactions.

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

5 Testing of disclosures.

6 Testing of specific internal controls and reporting findings to Council.