

# ALTARNUN PARISH COUNCIL RISK MANAGEMENT POLICY

Adopted 4<sup>th</sup> November 2020 Minute no. 131/20

Altarnun Parish Council has a responsibility to manage risks effectively in order to protect its employee/s, assets, liabilities and community against potential losses; to minimise uncertainty in achieving its goals and objectives and to maximise the opportunities to achieve its goals. Responsibility for effective Risk Management rests with all Members of the Council and the Proper Officer (Clerk & Responsible Finance Officer).

The objectives of this policy are to: •Continually develop the profile risk management across the Council. •Integrate risk management into the culture of the Council. •Embed risk management as an integral part of all decision-making processes. •Manage risk in accordance with best practice.

Risk management is an integral part of the Council audit process and is an important element in demonstrating good governance and continuous service improvement. There is a requirement under the Accounts and Audit Regulations 2015 to establish and maintain a systematic strategy, framework and process for managing risk. Internal Audit provides an important scrutiny role as the auditor carries out an independent audit with written reports detailing recommendations as appropriate. This contributes to good governance arrangements with the Council having the necessary risk management systems in place to effectively manage all significant business risks. Internal Audit helps the Council to improve and implement proper arrangements to manage both its financial and operational risk, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud. The Council will ensure the appointment of an independent and competent internal auditor.

The Council is aware that some risks can never be eliminated fully, and this policy and strategy provides a structured, systematic and focussed approach to managing risk applying to all Councillors, its' Proper Officer, contractors or others who may be carrying out operations for and on behalf of the Council, and those who may be affected by their work. The Council will ensure that it maintains a relationship of mutual trust and confidence with the Proper Officer.

Training- The Council will aim to ensure that both Members and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide and receive risk management training as appropriate.

Review and Monitoring- This Strategy will be reviewed annually as part of the Council's continuing review of its Policy and Governance documents. The Risk Register below is to be reviewed and updated at least annually. New risks will emerge and need to be controlled. Feedback from Internal and External Audit can identify areas for improvement, as can the sharing of best practice via professional bodies, the National Association of Local Councils, and the Cornwall Association of Local Councils.

In accordance with the Freedom of Information Act 2000, the Risk Management Policy and Risk Register will be posted on the Council's Website [altarnunparish.co.uk](http://altarnunparish.co.uk) and be made available for inspection upon application to the Clerk.

# ALTARNUN PARISH COUNCIL (APC)

## FINANCIAL AND OPERATIONAL RISK REGISTER

| Subject             | Risk identified  | H/M/L | Management/Control of Risk   | Review/Assess/Revise  |
|---------------------|--|-------|--|---|
| Councillors         | Loosing membership or having more than 7 vacancies at any one time                           | L     | When a vacancy arises, there is a legal process to follow. This either leads to a bye-election or into a co-option process. An election is out of the Parish Council's control. The co-option process begins with an advert, acceptance of applications, consideration of applicants and co-option vote at a Council meeting then appointment. If there are more than 7 vacancies at any one time on the Council it becomes inquorate. The legal process of Cornwall Council appointing members takes place. | Existing procedures adequate. Procedures of another body is adequate. |
| Business Continuity | Risk of Council not being able to continue its business due to an unexpected or tragic event | L     | Cornwall Council Resilience and Emergency Management Team provide business continuity help and support   | Refer Cornwall Council website – Resilience and Emergency Management  |

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| Precept           | <p>Adequacy of precept</p> <p>Requirements not submitted to Cornwall Council in time</p> <p>Amount not received from Cornwall Council</p> | <p>L</p> <p>L</p> <p>L</p>                   | <p>*To assess Precept demand, APC members regularly receives budget update information, and the precept is an agenda item at full Council.</p> <p>*At the Precept meeting Council receives a budget update report, including actual position and projected position to end the year and indicative figures or costing obtained by the Clerk. With this information the Council maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept demand to Cornwall Council (CC). This figure is submitted by the Clerk in writing to CC. Precept should be considered by Council before the deadline –31<sup>st</sup> December annually.</p> <p>*The Clerk informs Council when the monies are received (April &amp; September bi-annually). The council currently budgets to maintain a general fund of at least £7k.</p> | Existing procedure adequate.  |
| Financial Records | <p>Inadequate Records</p> <p>Financial irregularities</p>   | <p>L</p> <p>L</p>                            | <p>The Council has Financial Regulations which set out the requirements.</p>  | Existing procedure adequate. Review Financial Regulations when necessary. |
| Bank and Banking  | <p>Inadequate checks</p> <p>Bank mistakes</p> <p>Loss</p> <p>Charges</p> <p>Loss of signatories</p>                                       | <p>L</p> <p>L</p> <p>L</p> <p>L</p> <p>L</p> | <p>* Financial Regulations set out the requirements for banking, cheques, and reconciliation of accounts.</p> <p>*Bank errors could occur and are discovered when the Clerk reconciles the bank accounts once a month when the statement arrives, these are dealt with immediately.</p> <p>*Monitor the bank statements monthly for erroneous charges.</p> <p>*The Council approves replacement signatories; this usually happens after an Annual Council Meeting/election/co-option.</p>   | Existing procedure adequate   |

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| Cash / Loss                          | Loss through theft or dishonesty                               | L | The Council has Financial Regulations which set out the requirements. Cash/cheques received are banked asap. There is no petty cash or float. This is audited by the Internal Auditor annually.   | Existing procedure adequate  |
| Litigation                           | Potential risk of legal action being taken against the Council | M | Public liability insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against.   | Insurance is adequate for requirements but there is still risk of other claims |
| Reporting and Auditing               | Information Communication                                      | L | *A monitoring statement is produced quarterly and presented to Council and discussed at the meeting. This statement includes, bank reconciliation, budget/reserves update, and a breakdown of receipts and payments balanced against the bank.<br>*Council should regularly audit internally to comply with the Fidelity Guarantee.   | Existing procedure adequate  |
|                                      | Compliance   | M |   |  |
| Direct Costs Overhead Expenses Debts | Goods not supplied but Billed                                  | L | *The Council has Financial Regulations which set out the requirements.<br>*At each Council meeting the list of invoices awaiting approval is advised to Councillors and considered.<br>*One Councillor is nominated to check each invoice against the cheque book and associated paperwork and initials the invoices. Council approves the list of requests for payment.<br>*The Council has no stock at present. | Existing procedure adequate.   |
|                                      | Incorrect invoicing  | L |   |  |
|                                      | Cheque payable Incorrect                                       | L |   |  |
|                                      | Loss of stock  | L |   |  |
|                                      | Unpaid invoices  | L |   |  |

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| Grants and Support - Payable | Power to pay<br>Authorisation of Council to pay  | L                     | All such expenditure goes through the required Council process of approval, meeting minutes confirm payment is made using the S137 power of expenditure.  | Existing procedure adequate.<br>Parish Councillors request S137 rules if required.  |
| Grants – Receivable          | Receipts of Grant  | L                     | The Parish Council does not presently receive any regular grants. One off grant would come with terms and conditions to be satisfied.   | Procedure would need to be formed, if required.   |
| Best Value Accountability    | Work awarded Incorrectly<br>Overspend on services  | L<br>M                | *Normal Parish Council practice would be to seek, if possible, more than one quotation for any substantial work required to be undertaken or goods.<br>*For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the problem and report to Council. This is covered in the Financial Regulations.   | Existing procedure adequate.  |
| Salaries and Assoc. Costs    | Salary paid incorrectly<br>Wrong hours paid<br>Wrong rate paid<br>Wrong deductions of NI or Tax<br>Unpaid Tax & NI | L<br>L<br>L<br>L<br>L | *The Parish Council authorises the appointment of all employees through a Committee. Salary rates are assessed annually by Council on the anniversary of appointment.<br>*Clerks salary and expenses payments are administered professionally by Payline (South West) Ltd. Analysis slips are produced with a schedule of payments to HMRC (for Tax and NI). These are inspected at the quarterly internal finance review signed off.<br>*Income Tax and NI payments are posted to HMRC by the clerk.<br>*The Clerk has a contract of employment and job description.<br>*Clerks salary is paid in arrears, but if a meeting is cancelled or moved then payments could be late or missed. | Existing appointment system adequate.<br>Existing payment system is inadequate but monitored at quarterly internal finance check. |

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| Employees               | Loss of Clerk<br>Fraud by staff<br>Actions undertaken by Staff | L<br><br>L<br><br>L | *Appoint locum clerk via CALC & advertise for permanent clerk via CALC/NALC.<br>*The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud.<br>*The Clerk should be provided with relevant training, reference material, access to assistance and legal advice required to undertake the role.  | Existing procedure adequate.<br><br>Membership of CALC.<br><br>Monitor insurance covers regularly.  |
| Councillor Allowances   | Councillors over-paid<br>Income tax deduction                  | N/A                 | No allowances are allocated to Parish Councillors.  | No procedure required   |
| Election Costs          | Risk of an election cost                                       | H                   | Risk is higher in an election year. A by-election may be called for any casual vacancies. When a scheduled election is due the Clerk will obtain an estimate of costs from Cornwall Council for a contested and an uncontested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. The Council will save a sum each year (wef 2021/22) to carry forward in case of an election at a four-year interval, but bye-elections will be paid from the general fund. | Existing procedure is inadequate in the case of full elections. To be rectified at December 2020 council meeting. Council should consider precepting a larger amount each year and saving each year to cover all costs. |
| VAT                     | Re-claiming  | L                   | The Council has Financial Regulations which set out the requirements. VAT is claimed regularly.   | Existing procedure adequate.  |
| Employers Annual Return | Paying and accounting for NI and Tax of employees' salaries    | L                   | Employer's Annual Return is completed and submitted to HMRC within the prescribed time frame by the Clerk.  | Existing procedure adequate.  |

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| Audit - Internal Audit                             | Completion within time limits                         | L      | Internal auditor is appointed by the Council. Internal auditor is supplied with the relevant documents to audit and the form to complete and sign for the External Auditor. Procedures are all covered in the 'Review of Effectiveness of the system of Internal Audit' which is reviewed annually.  | Existing procedure adequate.  |
| Annual Governance and Accountability Return (AGAR) | Completion/Submission within time limits              | L      | AGAR is completed strictly in accordance with accompanying instructions and guidance notes then checked and sent to the External Auditor within time scales. Actions are recorded in council meeting minutes.  | Existing procedure adequate.  |
| Legal Powers                                       | Illegal activity or payments                          | L      | All activity and payments within the powers of the Parish Council to be resolved and recorded in the minutes at Full Parish Council Meetings. Including, where necessary a reference to the power used as per the Financial Regulations.   | Existing procedure adequate   |
| Minutes/ Agendas/ Notices Statutory Documents      | Accuracy and legality<br>Business conduct             | L<br>L | *Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council meeting. Minutes and agenda are published and displayed according to the legal requirements.<br>*Business conducted at Council meetings should be managed by the Chair. | Existing procedure adequate.<br>Guidance/training to Chair should be given. Members to adhere to Code of Conduct.                               |
| Members Interests                                  | Conflict of interest<br>Register of Members interests | L<br>M | *Although not a requirement, the declaring of interests by members at a meeting should be an obvious process and to remind Councillors of their duty, should remain on the agenda.<br>*Register of Members Interest forms should be reviewed regularly by Councillors.   | Existing procedure adequate.<br>Meeting agenda refers in detail.<br>Members take personal responsibility to update their Register of Interests. |

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| Insurance                                  | Compliance<br>Adequacy<br>Cost<br>Fidelity G'tee   | L<br>L<br>L<br>M | An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for. Ensure compliance measures are in place.<br><br>Ensure fidelity checks are robust and carried out quarterly.  | Existing procedure adequate. Review insurance provision annually. Review of compliance. |
| General Data Protection Regulations (GDPR) | Policy Provision -to be observed                   | L                | *The Council is registered with the ICO and annual subscription fee is paid by direct debit.<br>*Privacy notices are adopted and published.<br>*GDPR annual audit system in place.   | Ensure evidence of annual ICO renewal is received.<br>Report annual audit in minutes.   |
| Freedom of Information Act                 | Policy provision-to be observed                    | L<br>M           | The Council has a model publication scheme for Local Councils in place. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee. | Monitor and report any impacts of requests made under the Freedom of Information Act    |
| Asset                                      | Risk/damage to third party/property Loss or Damage | L<br>L           | An annual review of assets is undertaken for insurance provision, storage and maintenance provisions and agreed and recorded in the minutes at council meeting.  | Asset register to be reviewed and updated at quarterly internal finance checks          |

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| Maintenance             | Loss of income or Performance           | L | All assets owned by the Parish Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the Parish Council.<br>*All assets are insured and reviewed annually.<br>*All public amenity land is inspected regularly by Chair & parish councillors. | Existing procedure adequate. Ensure inspections carried out.  |
|                         | Assets Risk to third parties            | L |   |   |
|                         | Poor performance of assets or amenities | L |   |   |
| Notice Boards           | Risk/damage/injury to third parties     | L | APC has three notice boards sited around the parish. All locations have approval by relevant parties, insurance cover, inspected regularly by the Clerk - any repairs/maintenance requirements brought to the attention of the Parish Council. Keys held by Mr P Smart.   | Existing procedure adequate.  |
|                         | Road side safety                        | L |   |   |
| Street Furniture        | Risk/damage/injury to third parties     | L | The Parish Council is responsible for 2 former telephone boxes, 17 bench seats, 10 waste bins (dog waste & general waste). No formalised program of inspections is carried out, all reports of damage or faults are reported to Council and/or dealt with.  | Existing procedure adequate   |
| Meeting Location        | Adequacy                                | L | The Parish Council meetings are held at either Altarnun Village Hall or Bolventor Reading Room. The premises and the facilities are adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects.   | Existing locations adequate.  |
|                         | Health & Safety                         | M |   |   |
| Council Records - Paper | Loss through:                           | L | The Parish Council records are stored at the home of the Clerk and in the county archive. Records include historical correspondence, minute books and copies, leases for land or property, records such as personnel, insurance, salaries etc. Recent materials are in a metal filing cabinet (not fireproof)   | Damage (apart from fire) and theft is unlikely and so provision adequate. Move records to county archive as soon is practicable |
|                         | Theft                                   | M |   |   |
|                         | Fire damage                             | L |   |   |

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| Council Records –<br>Electronic | Loss through:<br>Theft, fire,<br>damage corruption of<br>computer | L<br><br>M | The Parish Council's electronic records are stored on the Clerks password protected laptop computer. Encrypted back-ups of the files are taken at regular intervals. | USB stick back-up of electronic files to be given to Chair for storage off-site |
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