

BARNT GREEN PARISH COUNCIL

80 Hewell Road, Birmingham, B45 8NF

0121 447 9893

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www.barntgreen.org.uk



RISK MANAGEMENT POLICY

Barnt Green Parish Council is committed to identifying and managing risk and as a result should have in place a system to help manage it. This system needs to be flexible to cater for any developments over time.

Using the following procedures and ensuring that risk is maintained at an acceptable level, action that is felt necessary will be undertaken by Barnt Green Parish Council.

Risk management is increasingly important and there is now an expectation on parish councils to be explicit in their approach to it. The failure to manage risk effectively can be expensive in financial terms and in terms of service delivery; and could threaten a council's ability to achieve its objectives and cause the electorate to lose trust in the council.

The Executive Officer (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 Guide – makes the following observations regarding risk management.

The focus of good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences. Risk management is not just about financial management: it is about setting objectives and achieving them in order to deliver high quality public services.

It goes on to make the point that Members are ultimately responsible for risk management because risk threatens the achievement of policy objectives.

The Council should therefore ensure that it:

- ❖ Identifies key risks facing the council
- ❖ Evaluates the potential to the council of one of these risks taking place; and
- ❖ Agrees measures to avoid, reduce or control the risk or its consequence.
- ❖ Record any conclusions or decisions reached

Areas of risk to a Parish Council might include the following:

- Physical assets – buildings, equipment, IT hardware etc
- Finance – banking, loss of income, petty cash etc
- Injury to the public – in playgrounds and recreation grounds, in village halls, at burial grounds etc

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- Compliance with legal requirements – agendas and minutes, burial records etc
- Councillor propriety – non-declarations of interests, disregarding the Code of Conduct etc

The Council needs to consider each of the possible risks under each of the identified schemes. For example physical assets could be lost as a result of fire or flood, damage by vandals, theft or simply deterioration through lack of maintenance. All these risks can be minimised or transferred by various means, such as taking out insurance, securing alarms or by regular inspection and maintenance.

In addition to identifying risk it is a good idea to make a judgment about the likelihood of the risk occurring and its potential impact.

There are three main ways of managing risk:

- A. Take out insurance
- B. Work with another party to reduce the risk; or
- C. Manage the risk yourself

A. 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:

- i. Protection of physical assets
All physical assets are insured.
- ii. Public Liability
BGPC has a Public Liability Insurance of £10,000,000.
It has also personal accident liability cover for employees, members and volunteers under the above policy.
- iii. Employers Liability
BGPC has an Employers Liability Insurance of £10,000,000
- iv. Officials' and Trustees' Indemnity
- v. Commercial legal protection
- vi. Office equipment
- vii. Crisis Containment

2 INTERNAL CONTROLS

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

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The Asset Register is reviewed annually by the EO and members receive a regularly updated list.

ii. Regular maintenance for physical assets

Seats, bus shelter and notice boards are monitored by EO through the Outdoor Parish Caretaker.

iii. Annual Review of risk and the adequacy and robustness of insurance cover.

The EO reviews the insurance cover annually, makes recommendations for approval by Council and updates cover as agreed.

3 INTERNAL AUDIT ASSURANCE

i. Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the EO, finance committee and Internal Auditor. Recommendations are submitted to Council.

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

1 RISK IDENTIFICATION

i. Security for vulnerable buildings, amenities or equipment

The office and EO's home is insured and council equipment secure.
The office has an alarm.

ii. Maintenance for amenities and equipment

Contractors are used as needed.
A weekly inspection is carried out on amenities.

iii. Banking Services

Reviewed annually by Council.
All payments require two signatures via online banking.
Council review all payments.
Authority delegated to EO to transfer between accounts and check balances by internet banking.

iv. Provision of amenities/facilities

A hire agreement for the use of the playing field is reviewed and signed annually

v. Professional services, contractors etc. The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) providers of any professional service it requires.

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2 INTERNAL CONTROLS

- i. Standing Orders and financial regulations dealing with the award of contracts for services or purchases

The Council has Standing Orders and financial regulations that govern the awarding of contracts/purchases.

- ii. Arrangements to detect and deter fraud and/or corruption

Invoices are subjected to scrutiny by both the EO and bank signatories.

Variation in salary payments is fully justified before payment.

Staff overtime is only approved by full Council.

Expenses are only approved after submission of fully detailed claim form.

- iii. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and are reconciled by the EO.

A Bank reconciliation is included at every Parish Council Meeting.

Quarterly financial checks are also carried out by a member of the finance committee, this is signed off when completed.

3 INTERNAL AUDIT ASSURANCE

- i. Review of internal controls in place and their documentation

Recommendations from the EO and Internal Auditor are submitted to Council.

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

Where appropriate, legal powers bestowed on the Council will be recorded in the minutes against decisions taken.

The minutes of meetings are also reviewed during the internal audit process.

- iii. Review of arrangements to prevent and detect fraud and corruption

The use of Standing Orders, Finance Regulations, internal controls and consideration by Council are all methods which contribute to prevent and deter fraud and corruption.

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

1 RISK IDENTIFICATION

- i. Keeping proper financial records in accordance with statutory regulations

Financial records are kept in accordance with the statutory requirements and are reviewed as part of the Audit process.

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- ii. Ensuring all business activities are within legal powers applicable to Parish Councils
See Section B Internal Audit Assurance (2.)
- iii. Complying with restrictions on borrowing
There is currently no borrowing.
- iv. Ensuring that all requirements are met under employment law and Inland Revenue regulations
Inland Revenue calculations are made by HMRC Real Time Information and are subject to the audit process.
Salary forecasts are undertaken as part of the budget setting process.
- v. Ensuring all requirements are met under Customs and Excise regulations
BGPC is not VAT registered and all such claims against VAT are met by the EO and the Internal Audit process
- vi. Ensuring the adequacy of the annual precept within sound budgeting arrangements
The budget is reviewed and approved by Council annually.
- vii. Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137
Grant applications are considered by Council within the parameters of the grants policy.
- viii. Proper, timely and accurate reporting of the Council business in the minutes
Council minutes are distributed to Members well in advance of the subsequent meeting who check the draft for accuracy and then verify as a correct record as one of the first items of business of that meeting and signed at the meeting. Failure to do so is recorded. Any working party notes are presented to the Parish Council Meeting for information and ratification and are included in the minutes.
- ix. Responding to electors wishing to exercise their rights of inspection
The Council has adopted the publication scheme under the Freedom of Information Act 2000 and has its own written policy.
- x. Proper document control
Paperwork is retained in accordance with national guidelines and shown in Council's 'Retention of Documents' policy. Relevant documents are available for viewing on request. The council is registered for data protection.
- xi. Register of members' interests and gifts and hospitality in place, complete, accurate and up-to-date.

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A copy of the members' register of interest is held by the EO and the original is held by the Monitoring Officer at Bromsgrove District Council. It is the responsibility of Members to notify the EO of changes.

2 INTERNAL CONTROLS

- i. Regular scrutiny of financial records and proper arrangements for the approval of expenditure
Monthly payment schedules are submitted to Council for approval prior to payments being made.
- ii. Recording in the minutes the precise powers under which expenditure is being approved
See Section B Internal Audit Assurance (2)
- iii. Regular returns to the Inland Revenue; contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by Council
Inland Revenue Returns are completed and submitted by the EO.
Salaries are calculated by HMRC Real Time Information and are subject to internal audit.
- iv. Regular returns of VAT
The EO is responsible for completion and submission of VAT reclaims and these are submitted at least annually or more frequently according to level of expenditure.
- v. Developing system of performance measurement
In accordance with legislation, staff appraisal for the EO will be undertaken annually, by Chairman.
- vi. Minutes are properly numbered with a master copy kept in safekeeping
All Council, Committee and Working Party minutes are correctly numbered.
These are loose leaf and signed. Original copies are kept in the Parish Council Office. They are also kept as computer files which are backed up locally and remotely.
- vii. Documented procedures to deal with enquiries from the public
Calls, letters and e-mails are dealt with as soon as practicable unless referred to Council. In such cases, acknowledgement of the enquiry is made. All contacts are recorded.
- viii. Documented procedures for document receipt, circulation, response, handling and filing.

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The EO receives all mail, (including email). All relevant mail is listed for consideration of information. Mail for action by administration is dealt with accordingly and filed when actions are completed.

ix. Adoption of Codes of Conduct for members.

The Council has adopted the Code of Conduct.

3 INTERNAL AUDIT ASSURANCE

i. Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the EO, Chairman and Internal Auditor. Recommendations are submitted to Council

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

See Section B Internal Audit Assurance (2)

iii. Computer data safety

All necessary procedures and documents are computerised and all relevant areas of EO's computer are backed up to the cloud.

Approved by Barnt Green Parish Council at the Parish Council Meeting
20 November 2023 and signed by the Chairman.

A handwritten signature in blue ink, appearing to read "R. Cholmondeley".

Robert Cholmondeley (Nov 21, 2023 21:25 GMT)

Date Nov 21, 2023







3. Risk Management Policy November 2023

Final Audit Report

2023-11-21

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