DUNHAM HILL AND HAPSFORD PARISH COUNCIL
RISK ASSESSMENT POLICY

Background and Aims

The Government's Modernising Agenda provides such processes as Quality Councils and creating new leadership structures. In addition the local council audit seeks to address issues by placing emphasis on local councils strengthening their own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers.

The Risk Assessment Policy is the method by which Dunham Hill and Hapsford Parish Council will carry out its obligation of risk assessment of any structures or other property or equipment which may cause injury to a danger to the general public, Council staff and Members.

Risk Management is also about financial management, internal controls and adequacy of insurance cover in order that the Parish Council may achieve its objectives to deliver high quality public service. Failure to manage risks effectively can be expensive in terms of litigation and reputation and the ability to achieve desired targets.

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

RISK IDENTIFICATION	COUNCIL'S RESPONSE
Insurance cover for risk is the most common approach to certain types of inherent risks:	
The protection of physical assets owned by the council – buildings, furniture, equipment, etc (loss or damage)	Insurance Policy– reviewed annually
The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability)	Insurance Policy Section 1 – reviewed annually
The risk of consequential loss of income or the need to provide essential services following critical damage, loss of non-performance by a third party (consequential loss)	Insurance Policy Section 2 – reviewed annually
Loss of cash through theft or dishonesty (fidelity guarantee)	Insurance Policy Section 1– reviewed annually
Legal Liability as a consequence of asset ownership (public liability)	Insurance Policy Section 1 – reviewed annually.
Officials Indemnity to include Councillors	Insurance Policy Section 2 – reviewed annually

Libel and Slander Legal Expenses	Insurance Policy Section 2 – reviewed annually Insurance Policy Section 3 – reviewed annually.
INTERNAL CONTROLS	**COUNCIL'S RESPONSE**
The council's internal controls include: Up to date register of assets and investments. Regular inspection and maintenance arrangements for physical assets. Annual review of risk and the adequacy of cover. Ensuring the robustness of insurance providers	 Provided To take place annually. Internal Auditor – Annually. Internal Auditor – Annually.
INTERNAL AUDIT ASSURANCE	**COUNCIL'S RESPONSE**
The internal Audit procedure includes: Review of internal controls in place and their documentation. Review of management arrangements including insurance cover. Testing of specific internal controls and reporting findings to management.	 Annually. Annually. Annually.
Table Two Areas where there may be scope to work with others to help manage risk.	
RISK IDENTIFICATION	**COUNCIL'S RESPONSE**
The limited nature of internal resources means that the council may wish to provide services from specialist external bodies: Maintenance for vulnerable buildings, amenities or equipment. The provision of services being carried out under agency/partnership agreements with principal authorities. Banking arrangements, including borrowing or lending. Ad hoc provision of amenities/facilities for events to local community groups. Markets management.	 Na Na Na Na Na

Vehicle or equipment hire or lease. Professional services (planning, architects, accountancy, design, etc)	Na Na
INTERNAL CONTROLS	**COUNCIL'S RESPONSE**
Internal Control's include: Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment. Regular reporting on performance by suppliers, providers, contractors. Annual review of contracts. Clear statement of management responsibility for each service. Regular scrutiny of performance against targets. Adoption of and adherence to codes of practice for procurement and investment. Arrangements to detect and deter fraud and/or corruption. Regular bank reconciliation's, independently reviewed	 Adopted. Na Na Na Na Adopted In place. Internal Auditor – Annually.
Table Three Areas where there may be a need to self-manage risk	
RISK IDENTIFICATION	**COUNCIL'S RESPONSE**
There are a number of activities that create business risk but do not fall easily into either of the above categories for a number of reasons, principally because they are either difficult to quantify or considered inefficient to have provided externally or just uninsurable: Keeping proper financial records in accordance with statutory requirements. Ensuring all business activities are within legal powers applicable to local councils. Complying with restrictions on borrowing. Ensuring that all requirements are met under employment law and Inland Revenue regulations.	 In place In place In place Evidence provided by Clerk

Ensuring all requirements are met under Customs and Excise regulations (especially VAT).	VAT claimed annually
Ensuring the adequacy of the annual precept within sound budgeting arrangements.	In place
Monitoring of performance against agreed standards under partnership agreements.	Na
Ensuring the proper funds granted to local community bodies under specific powers or under section 137.	In place
Proper, timely and accurate reporting of council business in the minutes.	In place
Responding to electors wishing to exercise their rights of inspection.	In place
Meeting the laid down timetables when responding to consultation invitations.	In place
Meeting re requirements for Quality parish status or other accreditation.	Not under consideration at moment. To be reviewed at interval.
Proper document control	In place
Register of members' interests and gifts and hospitality in place, complete, accurate and up to date.	In Place
Compliance with Freedom Of Information Act	In place – new policy document being produced for approval.
Clerk's Salary Reviewed	Annual review
INTERNAL CONTROLS	**COUNCIL'S RESPONSE**
The Council's internal controls include:	
Regular scrutiny of financial records and proper arrangements for the approval of expenditure.	In place.
Recording in the minutes the precise powers under which expenditure is being approved.	In place.
Regular returns to the Inland Revenue; contracts of employment for all staff, annually reviewed by the council, systems of updating records for any changes in relevant legislation.	In place.

Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary.	In place
Regular budget monitoring statements.	Annual review.
Developing systems of performance measurement	Na
Procedures for dealing with and monitoring grants or loans made or received.	Na
Minutes properly numbered and paginated with a master copy kept in safekeeping.	In place
Documented procedures to deal with enquiries from the public.	Standing Orders
Documented procedures to deal with responses to consultation requests.	Standing Orders
Monitoring arrangements by the council regarding Quality Council status.	Not adopted – may be reviewed
Documented procedures for document receipt, circulation, response, handling and filing.	Standing Orders
Procedures in place for recording and monitoring members' interests and gifts and hospitality received.	In place
Adoption of codes of conduct for members and employees.	In place
INTERNAL AUDIT ASSURANCE	**COUNCIL'S RESPONSE**
Internal audit testing includes:	
Review of internal controls in place and their documentation.	Internal Auditor
Review of minutes to ensure legal powers in place, recorded and correctly applied.	Internal Auditor
Testing of income and expenditure from minutes to cashbook, from bank statement to cashbook, from minutes to statements etc.	Internal Auditor
Review and testing of arrangements to prevent and detect fraud and corruption.	Internal Auditor
Testing of disclosures	Internal Auditor
Testing of specific internal controls and reporting of findings.	Internal Auditor