

Monk Sherborne Parish Council - Risk Management – 2017/2018

RISK	DOES IT APPLY TO MSPC?	HOW IT IS DEALT WITH ?	ANY ACTION NEEDED
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TABLE 1 - AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK

RISK IDENTIFICATION

Protection of physical assets owned by the Council, buildings furniture, equipment etc	Yes	Insured with Aviva via Came & Co. Insurance brokers on replacement basis	No
Risk of damage to third party property or individuals as a consequence of the Council providing services or amenities to the public	Yes	£10m public liability cover	No – included withn insurance schedule
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	Yes	All assets insured Contracts checked by solicitors	
Loss of cash through theft or dishonesty	Yes	Fidelity guarantee of £50,000 included in insurance cover	
Legal liability as a consequence of asset ownership	Yes	£10m public liability cover	

INTERNAL CONTROLS

An up to date register of assets and investments	Yes	Included in year end accounts and reviewed by Internal Auditor	
Regular maintenance arrangements for physical assets	Yes	Annual service and maintenance arrangements in place	
Annual review of risk and adequacy of cover	Yes	Check carried out with Norwich Union on annual basis	

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Ensuring robustness of insurance providers	Yes	Aviva is a major specialist insurer for local councils
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INTERNAL AUDIT ASSURANCE

Review of internal controls in place and their documentation	Yes	Contracts checked by solicitors & Eleanor S Greene, internal auditor
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Review of management arrangements regarding insurance cover	Yes	as above
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Testing of specific internal controls and reporting findings to management	Yes	as above
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TABLE 2 - AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

RISK IDENTIFICATION

Security for vulnerable buildings, amenities or equipment	Yes	Regularly reviewed by clerk and councillors
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Maintenance for vulnerable buildings, amenities or equipment	Yes	Outside contractors used as required
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Provision of services being carried out under agency/partnership or community group use	Yes	Play area
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Banking arrangements including borrowing or lending	Yes	Savings & Current account with Unity Trust Bank
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Ad hoc provision of amenities/facilities for events to local community groups	Yes	Play area
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Markets Management	N/A	
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Vehicle or equipment lease or hire	N/A	
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Trading units (playing fields burial grounds etc)	Yes	Maintained by qualified Groundstaff where applicable
Professional services	Yes	Appropriately qualified professional services used

INTERNAL CONTROLS

Standing Orders and financial regulations dealing with the award of contracts for services and purchase of capital equipment	Yes	NALC model Standing Orders & Financial Regulations adopted accordingly	Council to consider adoption of updated Standing Orders issued by NALC
Regular reporting on performance by suppliers/providers/contractors	Yes	Reports would be made if performance lacking	
Annual review of contracts	Yes	Negligible risk	
Clear statements of management responsibility for each service	Yes	Schedule of annual work, daily inspections of building equipment and areas managed by HPC	
Regular scrutiny of performance against targets	Yes	Half yearly budget monitoring	
Adoption of and adherence to codes of practice for procurement and investment	Yes	In adopted Financial Regulations and Local Authority used for high interest investment	
Arrangements to detect and deter fraud and/or corruption	Yes	Two members to independantly authorise payments awaiting authorisation online following approval at the monthly meeting	internet banking implemented during Fiancial year 2011/12
		All Councillors receive copy of income & expenditure & bank rec on a monthly basis	
		Expenditure approved at Council	

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		I.A. checks all systems annually
Regular bank reconciliation, independently reviewed	Yes	Chairman checks bank statement balance against balance on reconciliation and all Councillors receive monthly reconciliation including income & expenditure reviewed at end of year by IA

INTERNAL AUDIT ASSURANCE

Review of internal controls in place and their documentation	Yes	Clean audit report
Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied	Yes	Done by IA and reported to Clerk and Council
Review and testing of arrangements to prevent and detect fraud and corruption	Yes	as above
Review of adequacy of insurance cover provided by suppliers	Yes	as above
Testing of specific internal controls and reporting findings to management	Yes	as above

TABLE 3 - AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

RISK IDENTIFICATION

To ensure risk assessments are carried out prior to any task, which may involve an element of risk, being undertaken by an employee	Yes	Clerk/Line Manager/Employee
Keeping proper financial records in accordance with statutory requirements	Yes	Proper financial records kept, confirmed by Internal Auditor

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Ensuring all business activities are within legal powers applicable to local councils	Yes	Clerk attends ongoing training re new legislation IA reviews all systems annually
Complying with restrictions on borrowing	N/A	
Ensuring that all requirements are met under employment law, Health & Safety legislation and Inland Revenue regulations	Yes	All current requirements met : IA checks IR returns
Ensuring all requirements are met under Customs & Excise regulations (especially VAT)	Yes	All current requirements met
Ensuring the adequacy of the annual precept with sound budgeting arrangements	Yes	Forward & annual budget planning, half yearly budget reports and precept in line with requirements
Monitoring of performance against agreed standards under partnership agreements	N/A	
Ensuring the proper use of funds granted to local community bodies under specific powers or under S137	Yes	All such expenditure minuted
Proper, timely and accurate reporting of Council business in the minutes	Yes	Decisions and reasoning behind decisions minuted, minutes approved at next meeting
Responding to electors wishing to exercise their rights of inspection	Yes	Publication Scheme adopted, Parish Office open by appointment
Meeting the laid down timetables when responding to consultation invitation	Yes	Members informed of response dates
Meeting the requirements for Quality parish status or other accreditation		Council not wishing to pursue at present

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Proper document control	Yes	Incoming correspondence dealt with either by clerk or through Council meeting and filed accordingly.
Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date	Yes	Council policy to remind Councillors annually of their obligations, alterations made on receipt and copied to Monitoring Officer
INTERNAL CONTROLS		
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	Expenditure approved monthly at Council meetings & minuted Appropriate accounts software used and control totals regularly checked and IA review
Recording in the minutes the precise powers under which expenditure is being approved	Yes	Clerk refers expenditure to CAB
Regular returns to Inland Revenue; contracts of employment for all staff, annually reviewed by Council, systems of updating records for any changes in relevant legislation	Yes	Monthly returns to IR, all staff have contracts, annual review of salaries/wages, updates carried out as necessary
Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary	Yes	Half yearly VAT returns made or full year where amount negligible
Regular budget monitoring statements	Yes	Half yearly budget reports
Developing systems of performance measurement		
Procedures for dealing with and monitoring grants or loans made or received	Yes	All grant income is minuted, all grants made or under s.137 or the appropriate authority

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Minutes properly numbered and paginated with master copy kept in safekeeping	Yes	Signed, paginated ledger minutes kept and archived when binder full
Documented procedures to deal with enquiries from the public	Yes	
Documented procedures to deal with responses to consultation requests	Yes	Council policy to respond to consultation
Monitoring arrangements regarding Quality Council status		N/A
Documented procedures for document receipt, circulation, response, handling and filing	Yes	Contained in policy document
Procedures in place for recording Members' interests and Gifts and Hospitality received	Yes	All Councillors have copy of Code of Conduct and written disclosures entered on receipt
Adoption of Codes of Conduct for members and employees	Yes	Model Code adopted, awaiting draft employees code Clerk has always registered interests in a log book

INTERNAL AUDIT ASSURANCE

Review of internal controls in place and their documentation		IA full review of systems and clean DA reports
Review of minutes to ensure legal powers in place, recorded and correctly applied		as above
Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc including petty cash transactions		as above

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Review and testing of arrangements to prevent and detect fraud and corruption	as above	
Testing of disclosures	as above	
Testing of specific internal controls and reporting findings to management	as above	
Creation & maintenance of a fixed assets register	Done annually and reviewed by IA	Clerk