



**RISK MANAGEMENT POLICY  
AND  
RISK ASSESSMENT**

Revised & Approved: 16<sup>th</sup> July 2018  
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**Risk Management Policy**

Berkeley Town Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. Any action that is felt necessary will be taken up by Berkeley Town Council.

The Clerk will review all risks on a regular basis, including any newly identified risks, and will report to the Town Council. The review will include identification of any unacceptable levels of risk.

The Local Councils Governance and Accountability Guidance makes the following observations regarding risk management.

1. Risk management is not just about financial management; it is about setting objectives and achieving them in order to deliver high quality public services.
2. The new approach places emphasis on local councils, strengthening their own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers.

Members are ultimately responsible for risk management because risk threatens the achievement of policy objectives. Members should, therefore:

- a. take steps to identify risks facing the Council
- b. evaluate the potential consequences to the Council if an event identified as a risk takes place
- c. decide upon appropriate measures to avoid, reduce or control the risk or its consequences

To identify the risks facing a council, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken into the following areas:-

- i. Areas where there may be scope to use insurance to help manage risk
- ii. Areas where there may be scope to work with others to help manage risk
- iii. Areas where there may be need for self-managed risk.

**SECTION 1**

**AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK**

**1A RISK IDENTIFICATION**

- a. **Protection of physical assets, e.g. buildings, furniture, equipment and regalia.**

The Town Hall and Pavilion are insured with Zurich Municipal YLL - 2720435983

- b. Risk of damage to third party property or individuals as a result of the Town Council providing services or amenities to the public.**

Berkeley Town Council has a Public Liability Insurance of £ 12,000,000. It has also personal accident liability cover for employees, members and volunteers under the above policy

- c. 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)**

Included in insurance policy cover

- d. Loss of cash through theft or dishonesty (fidelity guarantee)**

The Council has Fidelity Guarantee cover up to £ 250,000 for both members and employees

- e. Legal Liability as a consequence of asset ownership (public liability)**

See b. above

#### **1B INTERNAL CONTROLS**

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

An Asset Register is compiled annually by the Responsible Financial Officer and presented to the Council annually.

- b. Regular maintenance of physical assets**

Staff undertake regular inspection of sites and equipment. Playground equipment is checked annually by an independent playground inspector.

- c. Annual Review of risk and the adequacy of insurance cover**

The Responsible Financial officer reviews the insurance cover annually, makes recommendations, as necessary to the Council and updates cover as required.

#### **1C INTERNAL AUDIT ASSURANCE**

- a. Review of internal controls in place and their documentation**

Internal Controls are reviewed as necessary by the Clerk, Internal Auditor and the planning & finance committee. Recommendations from the Clerk and Internal Auditor and planning & finance committee are submitted to the Council.

- b. Review of management arrangements regarding insurance cover**

This forms part of the Council review at time of annual renewal

- c. Testing of specific internal controls and reporting findings to management**

This is undertaken on a quarterly basis by a member who is appointed by the Council. Reports are presented to the planning & finance committee and are recorded in the minutes.

## SECTION 2

### AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

#### 2A RISK IDENTIFICATION

##### a. **Security for Vulnerable Buildings, amenities and equipment**

The council office is in the Town Hall, Berkeley.

In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Crime reports are obtained for all breaches of security by contacting Gloucestershire Police.

##### b. **Banking Services**

Reviewed periodically by the RFO; All cheques require two authorised Members' signatures. The Internal Auditor and council review all payments.

##### c. **Provision of amenities for local community groups**

The Council allows the use of the Town Hall and Canon Park Recreational Facility to local community groups. A letting agreement is signed by both parties, which advises the groups that they have to provide their own public liability insurance cover.

##### d. **Professional services, contractors etc.**

The Council will ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires. Any professionals whose services it uses are well established and often selected on recommendation. Ideally a short list of three is drawn up.

#### 2B INTERNAL CONTROLS

##### a. **Standing Orders and Financial Regulations dealing with the award of contracts for services or the purchase of capital equipment.**

The Council has Financial Regulations that govern the awarding of contracts.

##### b. **Clear Statement of management responsibility for each service**

Committees have delegated management responsibility

##### c. **Regular bank reconciliations, independently reviewed**

Bank statements are received monthly and are seen by the Clerk (RFO) and the councillor responsible for Internal Control. A Financial Statement is presented to full council quarterly.

##### d. **Arrangements to detect and deter fraud and/or corruption**

Invoices are subjected to scrutiny by the RFO, Internal Auditor, planning & finance committee and cheque signatories

#### 2C INTERNAL AUDIT ASSURANCE

##### a. **Review of internal controls in place and their documentation**

Internal controls are reviewed as necessary by the Clerk, Internal Auditor and the planning & finance committee. Recommendations from the Clerk, Internal Auditor and planning & finance committee are submitted to the Council.

**b. Review of minutes to ensure legal powers are available on the basis of the powers recorded and correctly applied.**

The Clerk undertakes to ensure that the Council does not act 'Ultra Vires' when a decision is taken. It is recorded if the Council decides against the Clerk's advice. Where appropriate, legal powers bestowed on the Council will be recorded in the minutes against decision taken. The minutes of meetings are also reviewed during the audit process.

**c. Review and testing of arrangements to prevent and detect fraud and corruption**

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

**d. Review of adequacy of insurance cover provided by suppliers**

Any contractors working for Berkeley Town Council are asked for proof of insurance cover

**e. Testing of specific internal controls and report findings to management**

This is undertaken as part of the audit process. Reports are presented to the planning & finance committee and are recorded in the minutes.

### **SECTION 3**

#### **AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK**

##### **3A RISK IDENTIFICATION**

**a. Keeping proper financial records in accordance with statutory obligations**

Financial records kept in accordance with the statutory requirement fall with the responsibility of the RFO and are reviewed as part of the Internal Control and Audit process

**b. Ensuring all business activities are within legal powers applicable to Parish Councils**

See section 2 Internal Audit Assurance (b)

**c. Complying with restrictions on borrowing**

The council's compliance with restrictions on current borrowing is reviewed as part of the audit process

**d. Ensuring that all requirements are met under employment law and Her Majesty's Revenue and Customs**

Salary forecasts are undertaken as part of the budget setting process and incremental increases are discussed by the staff committee for adoption. The Clerk reviews employment law and makes recommendations to the staff committee when necessary

**e. Ensuring all requirements are met under HMRC (especially VAT)**

The Clerk reviews VAT requirements and makes recommendations to the council when necessary

**f. Ensuring the adequacy of the annual precept within sound budgeting arrangements**

Budgets are reviewed monthly by the planning & finance committee. The planning & finance committee prepares the budget which is then recommended for approval to full council. Full council agrees the budget and sets the precept.

**g. Ensuring the proper use of funds granted to local community bodies under Section 137**

Where Section 137 is used it is listed separately in the annual accounts

**h. Proper, timely and accurate reporting of the Council business in the minutes**

Council minutes are prepared by the Clerk. They are distributed to members with the agenda for the next meeting, verified as a correct record as one of the first items of business of that meeting and signed by the Chairman.

**i. Responding to electors wishing to exercise their rights of inspection**

The right of inspection to electors is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant documents are available on demand and in addition copies of agendas and minutes are presented on the council website. The notices of meetings and agendas are also displayed on the notice board in the window of the Town Hall.

**j. Meeting laid down timetables when responding to consultation invitations**

Every effort is made to meet specific timetables when responding to consultation invitations

**k. Proper Document Control**

Paperwork is retained in accordance with national guidelines and relevant documents are available for viewing on request

**l. Register of Members' Interest Forms**

The members' Register of Interests forms are held by the Monitoring Officer at Stroud District Council. It is the responsibility of members to notify the Monitoring Officer of any changes

**3B INTERNAL CONTROLS**

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

Comprehensive measures are in place for the approval of expenditure

**b. Recording in the minutes the precise powers under which expenditure is being approved**

See Section 2 Internal Audit Assurance (b).

**c. Regular returns to HMRC, contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by the council**

Salaries are approved by the staffing committee and are subject to internal audit. Staffing issues are dealt with by the staffing committee.

**d. Regular Returns of VAT**

The Clerk is responsible for completion and submission of VAT returns

**e. Developing system of performance measurement**

In accordance with legislation, staff appraisals will be undertaken annually by the Clerk. In the case of the Clerk the annual appraisal will be undertaken by the staffing committee.

**f. Procedure for dealing with and monitoring grants, or loans, made or received**

The Council has a Grants Awards Policy.

**g. Minutes properly numbered with a master copy kept in safe keeping**

All council minutes are correctly numbered. These are loose leaf and signed. Original copies are kept in the minute file in the office of the Clerk.

**h. Documented procedures to deal with enquiries from the public**

Calls, letters, visitors to the office and e-mails are dealt with as soon as practicable unless referred to Council. In such cases acknowledgement of enquiry is made.

**i. Documented procedure to deal with responses to consultation requests**

Consultation requests are referred to the full council. They may be further delegated to a committee. The course of action taken is minuted.

**j. Monitoring arrangements regarding Quality Council Status**

Currently not applicable

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

The Clerk receives all mail. Mail for action is dealt with accordingly and filed when actions completed. Mail for information only is circulated to all members.

**l. Adoption of Codes of Conduct for members and employees**

The council adopted the Code of Conduct for members in December 2015. Employees' Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

**3C INTERNAL AUDIT ASSURANCE**

**a. Review of Internal Controls in place and their documentation**

Internal Controls are reviewed as necessary by the Clerk, Internal Auditor and the planning & finance committee. Recommendations from the Clerk, Internal Auditor and planning & finance committee are submitted to Council as and when appropriate

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

See Section 2 Internal Audit Assurance (b).

**c. Testing of income and expenditure from minutes, from bank statement to accounts records, from minutes to statement**

The testing of these procedures forms part of the internal controls currently in place. The system is also tested during the audit process

**d. Review and Testing of specific internal controls and reporting findings to management**

Where appropriate, the results of such testing as part of the internal controls will be reported to the planning & finance committee. Similar reporting to Council will be made as part of the independent internal audit