



RISK MANAGEMENT POLICY

CP20.03

Authorised & Adopted: **GRENDON UNDERWOOD PARISH COUNCIL**

Authorisation & last review as shown in the Policy Review Record CD08A

CHANGE LOG	
March 2018	Legacy template tailored to GUPC requirements whilst retaining all statutory requirements.
26 th June 2018	v.2 Adopted by resolution of full Council at a properly constituted general meeting held 26 th June 2018 - minute: 1806.05-1
26 th May 2020	v.3 New format, email & web addresses

I PURPOSE

Pursuant to section 27 of the Localism Act 2011 and Financial Regulations 2015, Grendon Underwood Parish Council ('the Council') has adopted this Policy to manage risk to its ability to conduct its business lawfully.

This Policy provides the framework within which Council will effectively manage and mitigate risk and how to conduct its administrative arrangements in relation to the requirements of the relevant legislation such as to ensure the timely and efficient compliance with its obligations and to deliver its duties in regard to the expectations of the residents of the Parish.

Council has made every effort to ensure all relevant statutory requirements to which a council is subject are encompassed in this Policy but confirm that, in any event, those requirements apply whether or not they are incorporated herein.

This Policy has been drawn up within the context of the Parish Council's Freedom of Information Policy and its Data Protection Policy and every effort has been made to ensure this Policy is consistent with other Council Policies where relevant.

Definition of Risk Management: Risk is the threat that an event or action will adversely affect an organisations ability to achieve its objectives and successfully execute its strategies. Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

NOTES:

- Where the word "councillor" is used, unless the context suggests otherwise, the meaning is intended to include non-councillors, with or without voting rights, and council employees.
- A 'co-opted member' is a person who is not an elected member of the Council but who has been co-opted onto the Council, or a committee or sub-committee properly constituted by Council, by a majority of elected Councillors at a properly constituted meeting of Council and who is entitled to vote on any question that falls to be decided at any meeting of Council or that committee or sub-committee.
- A 'meeting' is a properly constituted meeting of the Council, any of its committees, sub-committees, joint committees or joint sub-committees.
- Unless otherwise expressed, a reference to a Member of the Council includes a co-opted member of the Council.
- Where gender specific wording is used, meaning is intended to be gender neutral.

II SCOPE

Council recognises that risk will be inherent in anything it does. This Policy, therefore, defines those measures required to mitigate all risks, as far as this is practicable, across all activities such as to comply with its legal and regulatory obligations and to maintain its capacity to effectively manage all activities of the Parish Council.

III POLICY

The Council will review risks on a regular basis and will carry out a risk assessment according to its Risk Assessment Policy for any new undertaking or acquisition. The review will include identification of any unacceptable levels of risk.

Grendon Underwood Parish Council has taken due regard of The Local Councils' Governance and Accountability Guidance which 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.

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2. The Guidance places emphasis on local councils strengthening their own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers.
3. It goes on to make the point that Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Members should, therefore: -
 - a. take steps to identify key risks facing the Council;
 - b. evaluate the potential consequences to the Council of any risk event so identified;
 - c. decide upon appropriate measures to avoid, reduce or mitigate the risk or its consequences.
4. 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- COUNCIL POLICY WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK

CP20.1.1 - Council will hold, review annually and ensure adequate funding for full indemnity insurance against the following risks;

- a. Protection of physical assets e.g. buildings, furniture, equipment and regalia
- b. Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public
- 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)
- d. Loss of cash through theft or dishonesty (fidelity guarantee)
- e. Legal liability as a consequence of asset ownership (public liability)
- f. Legal liability and costs as a consequence of employer liabilities

CP20.1.2 - Council will review annually the adequacy of sums assured for all cover;

CP20.1.3 - Council will take all reasonable steps to use financially robust insurance providers;

SECTION 2 - COUNCIL POLICY WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

CP20.2.1 - Council will only use suitably qualified **and** insured **and** risk assessed providers of professional services and contractors in the following areas;

- a. Banking Services;
- b. Mandatory Employment law compliance – HMRC, Pensions;
- c. Mandatory VAT law compliance;
- d. Internal & External Auditing.

SECTION 3 - COUNCIL POLICY WHERE THERE IS A NEED TO SELF-MANAGE RISK

CP20.3.1 – Council will provide any necessary means for individuals to self manage risk as appropriate and will resource adequate means of policing and monitoring.

- a. Council will maintain an up-to-date Register of Assets and investments
- b. Council will instigate and maintain a regular health & safety maintenance schedule for physical assets
- c. council will review annually all internal controls in place and their documentation

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- d. Council will review annually all Standing Orders and Financial Regulations for adequacy and fitness of purpose to include the detecting and deterrence of fraud and/or corruption.
- e. Council will review annually all employment and service provider contracts;
- f. Council will review all payments at each general meeting and annually at the annual parish meeting and reconcile these against monthly and annual bank statements.
- g. Council will keep proper financial records in accordance with statutory requirements to ensure;
- the provision of all accountancy data in a manner suitable for audit;
 - the preparation of a credible budget;
 - the setting of a lawful precept request within sound budgetary parameters;
 - compliance with any restrictions on borrowing,
 - compliance with any relevant employment, HMRC and Inland revenue legislation,
 - the proper use of funds granted to local community bodies under specific powers or Section 137,
- h. Council will respond to electors wishing to exercise their rights in regard to inspection of finances, Freedom of Information and data protection in a timely and legally compliant manner;
- i. Council will respond to Planning Authority invitations to consult on planning applications in a timely manner such as to comply with their timetables unless not in the public interest to do so;
- j. Council will maintain proper, complete, accurate and up to date system of document control such as to ensure it is fit for purpose. Paperwork will be retained in accordance with national guidelines and made available for viewing during office hours – files to include -
- Minutes Book;
 - Planning responses;
 - Invoices;
 - Audit records;
 - Supplier Records.
- k. All incoming and outgoing electronic & paper correspondence will be logged and recorded in the Agenda for the next meeting following receipt;
- l. Council will generate proper, timely and accurate reporting of Council business by way of minutes of all meetings, according to its Standing Orders, and hold them indefinitely in hard, wet signature, copy for review, at any time, so it is always in a position to demonstrate all decisions are properly made against its statutory legal powers and are recorded and correctly applied as such;
- m. Councilors will be required to declare any interests in matters that Council may consider and Council will maintain a Register of Members' Interests and gifts and hospitality and require Councilors to retire from decisions involving their interests;
- n. Council will generate and review annually a Policy Register comprising a library of its Documented Procedures, Policies, Protocols & Regulations;
- o. Council will generate and review annually a Document Register comprising a library of its working documentation;

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Dated: 26th May 2019