



# Shenstone Parish Council

## RISK ASSESSMENT

<b>Table 1</b> <b>Area where there may be scope to use insurance to help manage risk</b>	
<p><b>Risk Identification</b>            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)</p> <p>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)</p> <p>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 (fidelity guarantee)</p> <p>Legal liability as a consequence of asset ownership (public liability)</p>	<p><b>Council's response</b>            Full review June 2022</p>
<p><b>Internal controls</b>            A council's internal controls may include:            An up to date register of assets and investments</p> <p>Regular maintenance arrangements for physical assets</p> <p>Annual review of risk and adequacy of cover</p> <p>Ensuring the robustness of insurance providers</p>	<p><b>Council's response</b>            Updated annually by Clerk</p> <p>Lengthsman responsibility</p> <p>May 2023</p>
<p><b>Internal audit assurance</b>            Internal audit testing may include:            Review of internal controls in place and their documentation            Review of management arrangements regarding insurance cover            Testing of specific internal controls and reporting findings to management</p>	<p><b>Council's response</b>            Reviewed – Alan Topliss, External Auditor            Cover checked</p>
<b>Table 2</b> <b>Areas where there may be scope to work with others to help manage risk</b>	
<p><b>Risk Identification</b>            The limited nature of internal resources in most local councils means that councils wishing to</p>	<p><b>Council's response</b>            Professional advice approved at Full Council re building surveys, legal guidance etc</p>

<p>provide services often buy them in from specialist external bodies, e.g.</p> <p>Maintenance for vulnerable buildings, amenities or equipment</p> <p>The provision of services being carried out under agency/partnership agreements with principal authorities</p> <p>Banking arrangements, including borrowing or lending</p> <p>Ad hoc provision of amenities/facilities for events to local community groups</p>	<p>Regular meetings with Management Committees of Village Halls/ Playing Fields</p> <p>N/A</p>
<p><b>Internal controls</b>  A council's internal controls may 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 statements 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</p> <p>Regular bank reconciliations, independently reviewed</p>	<p><b>Council's response</b></p> <p>In place</p> <p>Clerk Checked/ NPP review</p> <p>Clerk Checked/NPP review</p> <p>Clerk checked/NPP review</p> <p>Monthly- checked by Auditor</p>
<p><b>Internal audit assurance</b>  Internal audit testing may include:  Review of internal controls in place and their documentation  Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied  Review and testing of arrangements to prevent and detect fraud and corruption  Review of adequacy of insurance cover provided by suppliers  Testing of specific internal controls and reporting findings to management</p> <p>Council will hold three separate bank accounts with two deposit takers- two of which may hold over the FSCS limits.</p>	<p><b>Council's response</b></p> <p>A comprehensive internal audit is provided by Alan Topliss</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Seek to open another account with a third deposit taker.</p>

<b>Table 3 Areas where there may be a need to self-manage</b>	
<p><b>Risk identification</b>            There are a number of activities that create business risks 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</p> <p>Ensuring that all requirements are met under employment law and Inland Revenue regulations            Ensuring all requirements are met under Customs and Excise regulations (especially VAT)            Ensuring the adequacy of the annual precept within sound budgeting arrangements            Monitoring of performance against agreed standards under partnership agreements            Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137            Proper, timely and accurate reporting of council business in the minutes            Responding to electors wishing to exercise their rights of inspection            Meeting the laid down timetables when responding to consultation invitation            Meeting the requirements for Quality parish status or other accreditation            Proper document control</p> <p>Register of members' interests and gifts and hospitality in place, complete, accurate and up to date</p>	<p><b>Council's response</b></p> <p>No current borrowing</p> <p>Correct</p> <p>Done Done</p> <p>Clerk responsible for compliance and council calendar.</p> <p>Well within guidelines</p> <p>In place and revised annually</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
<b>Table 4 Areas where there may be a need to self-manage risk</b>	
<p><b>Internal controls</b>            A council's internal controls may include:            Regular scrutiny of financial records and proper arrangements for the approval of expenditure            Recording in the minutes the precise powers under which expenditure is being approved            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            Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary</p>	<p><b>Council's response</b></p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Regular budget monitoring statements	Yes
Developing systems of performance measurement	Yes
Procedures for dealing with and monitoring grants or loans made or received	Yes
Minutes properly numbered and paginated with master copy kept in safekeeping	Yes
Documented procedures to deal with enquiries from the public	Yes
Documented procedures to deal with responses to consultation requests	Yes
Monitoring arrangements by the council regarding Quality Council status	Yes
Documented procedures for document receipt, circulation, response, handling and filing	Yes
Procedures in place for recording and monitoring members' interests and gifts and hospitality received	Yes
Adoption of codes of conduct for members and employees	Yes
<p><b>Internal audit assurance</b></p> <p>Internal audit testing may include:</p> <p>Review of internal controls in place and their documentation</p> <p>Review of minutes to ensure legal powers in place, recorded and correctly applied.</p> <p>Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash transactions</p> <p>Review and testing of arrangements to prevent and detect fraud and corruption</p> <p>Testing of disclosures</p> <p>Testing of specific internal controls and reporting findings to management</p>	<p><b>Council's response</b></p> <p>Internal Audit process.</p> <p>Chair of sub committees regularly checks &amp; reviews procedure &amp; detail.</p> <p>Part of Alan Topliss review.</p>
<p><b>Table 5</b></p> <p><b>Partnership</b></p>	
Ensure that proper safeguards exist when the Council works in partnership with another body	<p>If the Council is working in Partnership with another body the Council should take a critical look at the situation with particular emphasis on:</p> <ol style="list-style-type: none"> <li>1. If the body is not a statutory body check if a constitution is in place and appropriate officers are in place.</li> <li>2. Review the financial position of the body.</li> <li>3. Where appropriate check for public liability insurance.</li> <li>4. Keep records of the relationship of the parties by a written agreement where appropriate or the use of regular notes and minutes</li> </ol>

Approved by Council at Full Council Meeting May 17<sup>th</sup> 2023

