

# **COOKHAM PARISH COUNCIL**

## **RISK MANAGEMENT POLICY AND FINANCIAL RISK ASSESSMENT**

**Approved by Finance Committee  
Date: 31st October 2023, Pg no 3138**

# COOKHAM PARISH COUNCIL

## RISK MANAGEMENT POLICY

Cookham Parish 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 by the Cookham Parish Council.

The Clerk will review risks on a regular basis, including any newly identified risks, and will report to the Finance Committee. 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.

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 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 IDENTIFICATIONS*

##### **a Protection of physical assets inc Trees e.g. buildings, furniture, equipment and regalia**

All physical assets are insured with Zurich Municipal Insurance under Policy: **YLL-2720864323 (new policy number June 2020)**

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

Cookham Parish Council has a Public Liability Insurance of £10,000,000. It also has personal accident liability cover for employees and members under the above policy. Trees are inspected regularly as part of the Tree management Programme overseen by the General Purposes Committee

##### **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 increased its Fidelity Guarantee cover up to £250,000 for both all members and employees. Large unexpected withdrawals invite a telephone check from the bank.

##### **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 Council with Annual Accounts each year.

##### **b Regular maintenance for physical assets**

The Clerk will commission regular inspections of the facilities by suitably qualified contractors subject to advice from RBWM. Maintenance of buildings, sites and equipment is undertaken on a responsive basis, in addition to budgeted Capital Projects for major refurbishment. Playground equipment is checked independently by ROSPA annually.

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

The Responsible Financial Officer (RFO) reviews the insurance cover annually, makes recommendations to the Finance Committee and up-dates cover as required.

**d Ensuring robustness of insurance providers**

Cookham Parish Council has a **5 year fixed rate contract with Zurich Municipal commencing in June 2020**. Zurich Municipal offers a robust policy and is endorsed by the National Association of Local Councils.

The Clerk will seek alternative quotations prior to renewal at the end of the term.

**1C INTERNAL AUDIT ASSURANCE**

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

Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council through its Finance Committee.

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

This forms part of the Finance Committee's review at time of renewal.

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

This is undertaken as part of the audit process. Reports are presented to Finance Committee and minuted accordingly.

## 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 or equipment

The Council's public buildings are shared with Cookham Library and the Community Room. RBWM staff ensure the building is secure. The building is alarmed, linked to a central control station with Police and Fire Service response.

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 Thames Valley Police on 101.

##### b Maintenance for vulnerable buildings, amenities or equipment

All premises are maintained within the approved budget. Maintenance is undertaken by RBWM staff / contractors or independent approved Cookham Parish Council contractors.

##### c Banking Services

Reviewed annually by Finance Committee. Two members to sign all cheques, transfers and Direct Debit or Standing Order authorisations. The Full Council reviews all payments.

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

The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires, including Cookham Parish Council's list of approved contractors. 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 Standing Orders that govern the awarding of contracts. These are based on the NALC 2018 model and were last reviewed and adopted in **May 2023**. Standing Orders are reviewed annually.

##### b Regular reporting on performance by contractors/suppliers

Property reports and ground maintenance reports are delivered to the *General Purposes Committee*.

##### c Review of contracts

All Contracts are reviewed by the Clerk/RFO and subsequently by the Council as part of its budget process.

**d Clear statements of management responsibility for each service**

Under Standing Orders the Finance Committee and the General Purposes Committee have delegated management responsibility for their own budgets. All have policies that are reviewed on an annual basis.

**e Regular scrutiny of performance against targets**

See (b) and (d).

**f Arrangements to detect and deter fraud and/or corruption.**

Invoices are subjected to scrutiny by both the RFO and the cheque signatories, who are councillors.

**g Regular bank reconciliations, independently reviewed**

Bank statements are received monthly and are seen by the Clerk (RFO). A list of monies in and cheques raised is presented at each full Council meeting at which time the bank balances are confirmed.

**2C INTERNAL AUDIT ASSURANCE**

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

Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council through its Finance Committee.

**b Review of minutes to ensure legal powers are available and the basis of the powers recorded are 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 decisions 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 Cookham Parish 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 Finance Committee and minuted accordingly.

## 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 requirements**

Financial records kept in accordance with the statutory requirements fall within the responsibility of the Finance Committee and are reviewed as part of the Audit process. Procedures are detailed in the Financial Risk Assessment shown in Appendix 1.(attached)

**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 has no current borrowing arrangements.

**d Ensuring that all requirements are met under employment law and Inland Revenue regulations**

Inland Revenue calculations are made by the Clerk and subject to the Audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are approved by the Staffing Committee. Independent legal advice is taken as necessary. (See also 3B e)

**e Ensuring all requirements are met under Customs and Excise regulations (especially VAT)**

All such requirements are met by the Responsible Financial Officer and the Internal Audit process.

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

Committee budgets are reviewed by Finance Committee and approved by Full Council in accordance with the Council's budget setting procedure.

**g Monitoring of performance against agreed standards under partnership agreements**

See Section 2 Internal Controls (b) and (d).

**h Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137**

Grant applications are considered by the Finance Committee. Section 137 grants are listed separately in the annual accounts.

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

Council minutes are prepared by the Clerk. They are distributed to members in advance of the next Council meeting and approved as a correct record at that meeting. Committee minutes are approved as a correct record at the next Full Council meeting. All minutes are signed by the Chairman prior to filing.

**j Responding to electors wishing to exercise their rights of inspection**

The rights of inspection by electors is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant documents are available on demand (during office hours) or by post and in addition, meeting schedules and minutes are available on the Parish website at [www.cookhamparishcouncil.org.uk](http://www.cookhamparishcouncil.org.uk) . These are reviewed periodically.

**k Meeting the laid down timetables when responding to consultation invitations**

Every effort is made to meet specified timetables when responding to consultation invitations.

**l Proper document control**

Paperwork is retained in accordance with national guidelines and is available for viewing during office hours. All pertinent mail is circulated to Councillors on receipt, either by email or post.

**m Register of members' interests and gifts and hospitality in place, complete, accurate and up to date**

The members' register of interests is held by the Clerk and a copy is held by Cookham Parish Council. To the best of the Clerk's knowledge these are accurate and up-to-date. It is the responsibility of members to notify the Clerk of changes.

**n Ensure all electronic data is secure**

Data is backed up off site in the cloud (Microsoft OneDrive) in real time. The process was set up and is maintained by our I.T. Consultants S.M.E. UK Ltd. Data can be accessed from the office and off site. Policies in place to cover who can access the data and for the control off passwords.

**o Take actions to ensure Continuity of Operations**

Security software is in place and maintained to guard against viruses. All hardware and software is kept up to date and no unsupported software is run.



### 3B INTERNAL CONTROLS

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

Comprehensive measures are in place for the internal and external approval of expenditure. (See also 2B g)

**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 the Inland Revenue; contracts of employment for all staff, annually reviewed by the Council, systems of updating records for any changes in relevant legislation**

Inland Revenue returns are duly completed by the Clerk on an annual basis. Salaries are calculated by the Clerk and checked by the chairman of the Finance Committee and during internal audit. Staffing issues are referred to the Staffing Committee.

**d Regular returns of VAT**

The Clerk as RFO is responsible for VAT returns and these are reviewed by the Finance Committee. The Finance Committee and the Staffing Committee checks that the RFO receives adequate training in all financial matters that relate to council business.

**e Developing system of performance measurement**

Staff appraisals are undertaken annually, by the Staffing Committee in the case of the Clerk and by the Clerk in the case of other staff. These are reported to the Council.

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

See Section 3. Risk Identification (h). There are no outstanding loans made or received at this time.

**g Minutes properly numbered and paginated with a master copy kept in safekeeping**

All Council and Committee minutes are correctly numbered and page numbered with backed up computer records from 2003 held off site.

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

Calls, letters and emails are dealt with as soon as possible. The Council's aim is to, at the very least, send an acknowledgement within three working days. Where a decision from the Council or a Committee is required, the response time may be extended to it's next scheduled meeting.

**i Documented procedures to deal with responses to consultation requests**

Consultation requests are circulated to all Council Members, in writing or electronically, with a specified timescale for response. Those responses are collated and submitted, in writing or electronically, to the relevant party, by the Clerk.

**j Monitoring arrangements regarding Quality Council status**

Currently not applicable.

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

The Clerk receives and delegates all mail. All relevant mail is listed with council or a committee for consideration or for information. Mail for action is dealt with accordingly and filed when actions are completed.

**l Procedures in place for recording and monitoring members' interest and gifts and hospitality received**

See Section 3. Risk Identification (m).

**m Adoption of Codes of Conduct for members and employees**

A revised Code of Conduct for Councillors was adopted in **May 2023** (LGA Model Code of Conduct 2020). Employee's 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 and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council through its Finance Committee.

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

See Section 2 Internal Audit Assurance (b).

**c 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 appropriate committee or council. Similar reporting to Council will be made as part of the internal audit.

**d Computer data safety**

Council Information is backed up on a daily basis and held off site.

**E Valuable documents**

All formal contracts, deeds and legal documents are currently stored in a fireproof safe in the Parish office.

**COOKHAM PARISH COUNCIL**

**RISK MANAGEMENT POLICY**

**Appendix 1**

**FINANCIAL RISK ASSESSMENT**

**Relevant Legislation:**

**Local Government Act 1972**  
**Local Government and Housing Act 1989**  
**Audit Commission Act 1998**  
**The Accounts and Audit Regulation 2011**

**COOKHAM PARISH COUNCIL**  
**FINANCIAL RISK ASSESSMENT**

<b>Item</b>	<b>Detail</b>	<b>Risk Assessment</b>	<b>Actions</b>
Book Keeping	Record of Council's income and expenditure.	Inaccurate or failure to maintain records correctly could lead to loss of income, overcharging by suppliers or misappropriation of Council Funds.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> <li>▪ Accounts available to all – on Excel Spreadsheets in Parish Office.</li> <li>▪ Clerk is Responsible Financial Officer (RFO).</li> <li>▪ Statements showing income and expenditure available at Full Council Meetings.</li> <li>▪ Copies of Bank Statements to be available to all in Parish Office.</li> </ul>
Purchases/Contracts from outside suppliers	Goods, services and works acquired on behalf of the Council.	Failure to observe Standing Orders and Financial Regulations could lead to overpayment, improper acquisitions or breach of Code of Conduct.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> <li>▪ Budgets in place for 1st April.</li> <li>▪ Quarterly updates to full Council showing expenditure against budget.</li> <li>▪ At least 3 tenders on orders over £60,000 prior to order being placed.</li> <li>▪ At least 3 quotations for orders between £3,000 and £60,000 prior to order being placed.</li> <li>▪ Where relevant 3 estimates for orders between £100 and £3,000.</li> <li>▪ Non-budgeted items to be approved by full Council prior to order being placed.</li> </ul>
Purchase Payments	For goods, services and works on behalf of the Council.	Potential for overpayment, inappropriate payment and false accounting.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> <li>▪ Purchases to accord with Budgets or Council approval for non-budget items.</li> <li>▪ Clerk to check against quotation and approve invoices.</li> </ul>
Annual Budget	Statement of Council's estimated income and expenditure for each year.	Risk of failure to provide for services to be provided, over/under statement of Precept.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> </ul>
Income	Precept and other income received by the Council.	Loss of controls could result in loss of income, miss-appropriation of cash.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulation and fidelity annually.</li> <li>▪ Cheques to be paid into Bank with minimum delay.</li> <li>▪ Cash received to be paid into bank.</li> </ul>

<b>Item</b>	<b>Detail</b>	<b>Risk Assessment</b>	<b>Actions</b>
Payroll	Payment of wages and salaries to Council employees.	Failure to deduct correct tax and NI contributions, failure to comply with current legislation on employment terms and conditions.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> </ul>
Asset Control	Record of Council's assets and investments.	Failure to maintain or review could result in undervaluing, e.g. Insurance. Investments – may not be maximising interest on monies deposited.	<ul style="list-style-type: none"> <li>▪ Review Asset Register annually.</li> <li>▪ Review investments annually.</li> </ul>
Bank Reconciliation	Record of the Council's transactions in respect of income and expenditure.	Failure to undertake monthly reconciliation could result in loss of income, inappropriate payments or misappropriation of funds.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> <li>▪ Copies of Bank Statements to be available to all in Parish Office.</li> </ul>
Year End Accounts	Statement of financial activity of the Council for each year.	Failure to provide an accurate statement of the Council's financial transactions for each year.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> </ul>
Insurance	Insurance cover provided for Council's financial activities, Public Liability, assets etc.	Inadequate cover could lead to financial loss and legal claims against the Council.	<ul style="list-style-type: none"> <li>▪ Review Insurance Schedule annually.</li> <li>▪ New acquisitions requiring insurance cover to be added immediately.</li> </ul>
Cheque Signatories, Direct Debit and Standing Order Authorisation	Several Councillors are authorised signatories.	Fraud, duplicate payments, incorrect payments.	<ul style="list-style-type: none"> <li>▪ 2 Signatures required for each cheque or payment authorisation</li> <li>▪ Cheques accompanied by invoice and remit advice when submitted for signature.</li> <li>▪ List providing details of payments being made each month to be approved by Full Council.</li> </ul>
Financial Records	Record of Council's financial transactions.	Failure to ensure safe keeping and updating of records.	<ul style="list-style-type: none"> <li>▪ Safe back-up of accounts kept in a separate location.</li> </ul>
Internal Audit	Review of systems and controls implemented by Council.	Failure to secure independent internal audit and record audit results.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> </ul>
External Audit	Completion of the Audit Commission process.	Failure to comply with statutory requirements for completion and publication of Audit. Additional costs incurred due to errors on Audit Return.	<ul style="list-style-type: none"> <li>▪ Review Financial Regulations annually.</li> <li>▪ Clerk and Accountant to liaise to ensure all information required is provided accurately and on time.</li> <li>▪ Inform Council of Audit Progress.</li> </ul>