

Risk Management

Stoke Bliss Group Parish Council Risk Management Policy

Draft 13th November 2017

Introduction

A risk is anything that can threaten or impact upon the assets, operation or reputation of the Parish Council.

Risk Management is the planned and systematic approach to the identification, analysis and economic control of all risks. It is not just about financial management but it is about achieving the objectives of the Parish Council.

There are four recognised ways of dealing with risk:

- Remove the risk
- Reduce the risk to an acceptable level
- Transfer the risk (eg.to a contractor) or insure against it
- Accept the risk

This Risk Management Policy forms part of the Parish Council's internal control and corporate governance arrangements.

The policy explains the Parish Council's underlying approach to risk management and documents the roles and responsibilities of Councillors and the Clerk. It also outlines the key aspects of the risk management process and identifies the main reporting procedures.

Key Principles

The following key principles outline the Parish Council's approach to risk management and internal control:

- The Parish Council, as a whole, has responsibility for overseeing its own risk management
- An open and receptive approach to managing risk is adopted by the Parish Council
- The parish clerk supports, advises and implements policies approved by the Parish Council
- The Parish Council makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risk

Role of the Clerk

The role of the Clerk and Responsible Finance Officer in relation to risk management is as follows:

- To implement policies on risk management and internal control

- To identify and evaluate the significant risks faced by the Parish Council for its consideration
- To provide adequate information in a timely manner to the parish council on the status of risk and controls
- To arrange for the internal auditor to undertake an annual review of effectiveness of the system of internal control and provide a report to the Parish Council. The auditor should check the minutes for any suggestion of unusual activity and evidence that risks are being identified and managed.

Risk Management as part of internal Control

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Parish Council to respond to operational, financial and commercial risks.

These elements include:

- Policies and procedures
- Quarterly reporting
- Parish Council Risk Review Log (See Appendix 1);
- Planning and budgeting;
- Internal Auditor (responsible for aspects of the annual review of effectiveness of internal control systems);
- Third party reports (eg external consultants).

The Parish Council will be managing many risks when it reviews its insurance and its systems. The minutes will record such reviews. Budget setting and insurance review are annual activities but the review of systems should be carried out every four years (see Parish Council Risk Review Log), unless triggered by internal or external audit reports, or when a risk changes.

Annual Review of Effectiveness

On production of the Internal Auditor's annual report, the Parish Council will:

- Review the previous year and examine the Parish Council's track record on effectiveness on risk management and internal control to assess if any changes need to be made
- Consider the internal and external risk profile of the coming year, noting any new areas of risk, and consider whether current internal control arrangements are likely to be effective;
- Evaluate the potential consequences to the Parish Council if an event that has been identified as a risk takes place and consider measures to avoid, reduce or control same;
- Make recommendations to the Parish Council on its findings;

In making any recommendations, the Parish Council will consider the following aspects:

- Timely identification and assessment of risks;
- Prioritisation of risks and allocation of resources to address areas of high exposure;
- Quality and timeliness of information on significant risks;
- Time it takes for control breakdowns to be recognised or new risks to be identified;
- Ability of the Parish Council to learn from its problems;
- Commitment and speed with which corrective actions are implemented.

STOKE BLISS GROUP PARISH COUNCIL

RISK REVIEW LOG as at 31/03/2018 APPENDIX 1

ITEM	FREQUENCY	LAST REVIEWED	COMMENTS/ACTIONS
Parish Council Insurance:			
Public & Employer Liability }	Annual		
Fidelity Guarantee}	Annual		
And other }			
Physical Assets			
Bench Seats	Annual		
Picnic Bench	Annual		
Flag pole	Annual		
Notice boards	Monthly		
Gate to village hall car park	Monthly		
Dog waste bag dispensers	Fortnightly		
Christmas tree lights	Annual		
Christmas lights transformer	Annual		
Laptop computer	Monthly		
Printer / copier	Monthly		
Asset Register	Annual		
Inspections/Maintenance			
Footpaths – Footpath Officer	On-going		
Roadside troughs/planters	On-going		
Lengthsman:			
Awareness of pesticide use			
Side out footways, ditches etc.	On-going		
Clean Signs, clear gullies etc.	On-going		
Install and check VAS	Not yet commissioned		
Financial Matters:			
Banking Arrangements	Annual		
Insurance Matters	Annual		
VAT Return	Annual		
Precept Request	Annual		

Receipts & Payments Procedure	On-going			
Bank Reconciliation	Monthly			
Clerk's Salary Review	Annual			
Independent Internal Audit	Annual			
External Audit	Annual			
Internal Control Audit	Quarterly			
Record Keeping:				
Minutes	Monthly			
Financial Regulations	Annual			
Standing Orders	Annual			
Members Responsibilities:				
Code of Conduct Adopted	On-going			
Register of Interests Completed	On-going			
Register of Gifts/Hospitality	On-going			