Norton Canes Parish Council Risk Assessment Policy

This policy is designed to ensure that sufficient internal controls are in place to ensure that the council has sufficient protection against loss, it is not a one policy fits all, the council has policies in place to cover other area such as Lone Working, Disaster Policy and GDPR.

1. Risk Management as part of Internal Control

The system of internal control incorporates risk management. This system encompasses several elements that together facilitate an effective and efficient operation, enabling Norton Canes Parish Council to respond to operational, financial, and commercial risks. These elements include:

- Policies and procedures
- Monthly reporting
- Planning and budgeting
- Internal Auditor (responsible for aspects of the annual review of effectiveness of internal control systems)
- Third party reports (e.g., 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, unless triggered by internal or external audit reports, or when a risk changes.

2. Annual Review of effectiveness

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

a. 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.
b. 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.
c. 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.
d. Make recommendations to the Parish Council on its findings.

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

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

3. **The Local Councils Governance and Accountability Guidance highlights the following observations regarding risk management:**

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

It makes the point that members are ultimately responsible for risk management because risk threatens the achievements of policy objectives. Members should therefore:

- Take steps to identify key risks facing the Council.
- Evaluate the potential consequences to the Council if an event identified as a risk takes place.
- Decide upon appropriate measures to avoid, reduce, or control the risk or its consequences.

To identify the risks facing a Council, we have grouped the three main types of decisions that have to be taken.

- Areas where there may be scope to use insurance to help manage risk (Section A).
- Areas where there may be scope to work with others to help manage risk (Section B).
- Areas where there may be need for self-managed risk (Section C).

Section A – Areas where there may be scope to use insurance.

Risk Identification

1. Protection of physical assets e.g. buildings, furniture, and equipment All physical assets are insured within the annual insurance renewal.
2. Risk of damage to third party property or individuals because of the Council providing services or amenities to the public Norton Canes Parish Council holds Public Liability insurance of £1,000,000.
3. Loss of cash through theft or dishonesty
4. Legal liability: The Council holds cover against legal costs in the following areas: Corporate Manslaughter and Corporate Homicide, Libel and Slander and other legal expenses as detailed in the Schedule.
5. All events held by Norton Canes Parish Council shall be included within the insurance cover, the council shall carry out its own Risk Assessment on the event and ensure that all contracted or associated groups also carry out their individual Risk Assessments for each event.

Internal Controls

1. Maintain an up-to-date register of Assets and Investments: The asset Register is reviewed annually by the Clerk/RFO (Responsible Finance Officer) and submitted to Council as part of the End of Year Accounts.
2. Regular maintenance for physical assets Members to carry out regular inspections and complete risk assessments for each asset on an annual basis.

3. Annual review of risk and adequacy of insurance cover The Clerk reviews the insurance cover annually, making recommendations as necessary, and updates the cover as required.

Internal Audit Assurance

1. Review of Internal Controls Internal controls are reviewed as necessary by the RFO and internal Auditor. Recommendations from the RFO and Internal Auditor are submitted to the Parish Council for consideration/approval.
2. Testing of specific Internal Controls: This is undertaken as part of the Audit process. Reports are presented to the Parish Council and minute accordingly.

Section B – Areas where there may be scope to work with others to manage risk.

Risk Identification

1. Banking Services Reviewed periodically by the Parish Council
2. Professional services and contractors The Council ensures that wherever possible it can select (from several) the provider of any professional service it requires, and the Clerk will ask for quotations on all works. Anyone whose services it uses are well established and often selected on recommendation. A short list of three is drawn up where appropriate.

Internal Controls

1. Standing Orders and Financial Regulations: The Council has Standing Orders and Financial Regulations which govern the awarding of contracts. These are reviewed annually.
2. Clear statements of responsibility Under Standing Orders: Norton Canes Parish Council has responsibility for its own budgets.
3. Arrangements to detect and deter fraud and/or corruption: Invoices are subject to scrutiny by both the RFO and signatories who are councillors. Two members of the Audit and Governance committee check invoices against bank payments and the payments list monthly before each Full Council meeting.
4. Regular bank reconciliations: Independently reviewed Bank statements are received monthly, and a bank reconciliation forms part of the Finance Report approved at Council meetings.

Internal Audit Assurance

1. Review of Internal Controls: Internal controls are reviewed annually by the Council and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to the Parish Council when appropriate.

2. Review of minutes to ensure legal powers are available and the basis of power recorded and correctly applied: The Clerk ensures that the Council does not act beyond its powers when a decision is taken. It is recorded if the Council decides against the Clerk's advice. Where considering expenditure on items not purchased before, the legal powers bestowed on the Council will be recorded in the minutes against decisions taken.
3. Review and testing of arrangements to prevent and detect fraud and corruption: The use of Standing orders, internal controls and consideration by the Parish Council are all methods which prevent and deter fraud and corruption.
4. Review of adequacy of insurance cover provided by suppliers. Any contractors working for Norton Canes Parish Council are asked for proof of insurance cover.

Section C – Areas where there may be need to self-manage risk.

Risk Identification

1. Keeping proper financial records in accordance with statutory regulations: Financial and other records are kept in accordance with the statutory requirements and are the responsibility of the Parish Council.
2. Ensuring all business activities are with legal powers applicable to Parish Councils. See Section B Internal Audit Assurance
3. Complying with restrictions on borrowing.
4. Ensuring that all requirements are met under employment law and Inland Revenue regulations Inland Revenue calculations are made by the RFO and are subject to the Audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are subject to approval by the Parish Council.
5. Ensuring all requirements are met under Customs and Excise regulations (VAT) All such requirements are met by the RFO and the internal audit process.
6. Ensuring the adequacy of the annual precept within sound budgeting process Budgets are reviewed and approved by the Parish Council in December/January each year.
7. Ensuring the proper use of funds granted to Local Community bodies under specific powers or Section 137 Grant applications are considered by the Parish Council upon recommendation from the Audit and Governance committee. Organisations applying for grants are required to submit copies of their annual accounts.
8. Proper, timely and accurate reporting of the Council business in the minutes Council minutes are prepared by the Clerk. They are distributed to all members in advance of the subsequent meeting, verified as a correct record as the first terms of business of the meeting and signed at the meeting.
9. Responding to electors wishing to exercise their rights of inspection; The right of inspection for electors is adhered to in accordance with legislation. In accordance with the Freedom of Information Act, all documents are available

on request, and, in addition, meeting schedules, agendas and minutes are published on the Council's website.

10. Proper document control Paperwork is retained in accordance with national guidelines and documents are available for viewing on request. Incoming emails and letters are scrutinised by the clerk and, where appropriate, forwarded to members.
11. Register of members' interests, gifts and hospitality is in place and up to date. The members' registers of interest are held by the Clerk and a copy is held by the Monitoring Officer. It is also posted onto the Parish Council website. It is the members' responsibility to notify the Clerk of any changes.

Internal Controls

1. Regular scrutiny of financial records and proper arrangements for approval of expenditure two members of the Audit and Governance committee will be responsible for scrutinising financial records and signing a copy of the Financial Report circulated to members with their meeting agenda.
2. Recording in the minutes the precise powers under which expenditure is being approved.
3. Regular returns to the inland Revenue, contracts of employment for staff, systems for updating records for any changes in relevant legislation, reviewed by the Parish Council Inland Revenue returns are completed and submitted by the RFO and are subject to internal audit. Staffing issues are referred to the Parish Council.
4. Regular returns of VAT: The RFO is responsible for completion and submission of VAT claims.
5. Procedure for dealing with and monitoring grants, or loans, made or received See section C.
6. Minutes of the council and its committees properly numbered with a signed master copy kept in the Council office for safekeeping and public inspection.
7. Procedures to deal with enquiries from the public Calls, letters and emails are dealt with as soon as practicable unless referred to the Parish Council or Committees. In such cases, acknowledgement of the enquiry is made.
8. Procedure to deal with responses to consultation requests - Consultations responses are formulated by and agreed by Council or Committee before submission. If the timescale is short or in cases of an emergency, the clerk (in conjunction with the Chair of the council or a committee) has discretion to formulate a response and circulate this to councillors via email for approval from the Council, before for submitting a response.
9. Procedures in place for recording and monitoring members' interests, gifts and hospitality received.
10. Adoption of Code of Conduct for members and employees The Parish Council adopted the district Code of Conduct is in accordance with their individual contracts of employment.

Norton Canes Parish Council Risk Assessment Policy

1. Review of internal controls: Internal controls are reviewed as necessary by the Clerk, Audit and Governance committee and the Internal Auditor. Recommendations from the Clerk, Audit and Governance Committee and internal auditor are submitted to the Parish Council.
2. Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied.
3. Testing of income and expenditure from minutes to statements etc: The testing of these procedure forms part of the internal controls currently in place. The system is also tested during the audit process.
4. Review and testing of arrangements to prevent and detect fraud and corruption Norton Canes Parish Council has a risk assessment policy in place that is reviewed regularly.
5. Testing of specific internal controls and reporting findings to the Parish Council: Where appropriate, the results of such testing as part of the internal controls will be reported to the Parish Council and review of internal controls forms part of the internal audit.
6. Computer data safety: All necessary procedures and documents are computerised on Microsoft Office 365.

Signed A Parker

Dated: Ratified.

Minute Reference: 2026-23