

# **Droitwich Spa Town Council**

## **Risk Management Policy**

The Local Council's Governance and Accountability Guidance includes the following statements:-

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 makes the point that Members are ultimately responsible for risk management because risk threatens the achievement of policy objectives. "The greatest risk facing a Local Authority is not being able to deliver the activity or services expected of the Council". Member 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

Subject	Risk(s)	Risk Level (H/M/L)	Management/Control of Risk	Review/Assess/Revise
Protection of physical assets e.g. building, furniture.	Identified destruction of physical assets.	L	<p>All physical assets are insured with Zurich Municipal under Policy No: YLL-122000-4833.</p> <p>Asset Register is maintained and property reviewed/inspected regularly.</p>	<p>Maintain Asset Register on an annual basis.</p> <p>Caretaker undertakes regular inspections of St Richard's House and the Community Hall, as does the Town Clerk and the Assistant Town Clerk – C&amp;A. Inspections of the Allotment Sites are undertaken by staff on a regular basis. Parks are looked after by Top Cuts, who report regularly upon H&amp;S matters. The Mayoral Insignia has been re-valued, for accurate insurance purposes.</p> <p>A full survey has been done of St Richard's House and all necessary and emergency works identified within the survey were completed July 2010. Further works have been identified to the grounds and these have been reported to Committee and budgets identified.</p>

Deleted:

Protection of Third Party property or individuals.	Risk of damage as result of Council providing services or amenities and legal liability as a consequence of asset ownership.	L	<p>DSTC has Public Liability of £10m (increased 9/3/07) and Personal Accident Liability cover for employees, members and volunteers.</p> <p>Annual Review takes place by RFO and cover updated upon report to Resources Committee as necessary.</p> <p>Zurich Municipal is one of two main insurers for Councils and robustness is considered as part of RFO's review.</p>	<p>Insurance cover is reviewed annually by the RFO and recommendations made as necessary to Resources Committee. Cover updated as required. It is not considered necessary to increase this cover at present.</p> <p>Business Interruption has been included within the insurance policy</p>
Loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss).	Consequential losses.	L	This is covered by the Council's insurance policy.	See above. In addition, the Council does have a Business Continuity Plan in place, which addresses matters such as the loss of IT facilities etc.

Loss of cash through theft or dishonesty.	Fidelity losses.	L	The Council has Fidelity Guarantee cover up to £250,000 for both Members and Employees, with £100 excess.	Internal controls are reviewed as necessary by the Clerk and the Internal Auditor. Recommendations are submitted to Resources Committee.
Management failure	Gross breach of a duty of care	L	The Council now has enhanced insurance cover in the light of the Corporate Homicide and Corporate Manslaughter Act 2007, up to £10m.	Obligations under the H&S laws should be met.

## Section 2

### Areas where there may be scope to work with others to help manage risk

Subject	Risk(s)	Risk Level (H/M/L)	Management/Control of Risk	Review/Assess/Revise
Security for buildings, amenities and equipment.	Breaches of security.	M	<p>The Council employs the caretaker to secure all buildings. St Richard's House has fire and intruder alarms which are set each evening by the Caretaker and monitored by ADT.</p> <p>The allotment sites are regularly breached and allotment holders have been advised to remove all items of any value from the site each evening. Reports are logged with West Mercia Police.</p>	<p>The Council increased security for the Community Hall by the installation of a keypad.</p> <p>.</p> <p>Vandalism and break-ins at the allotment sites are increasing. The Police have been requested to increase surveillance. Regrettably the purchase of improved perimeter fencing was considered beyond the financial capability of the Council, following consideration by the Community &amp; Amenities Committee, and Resources Committee.</p>
Banking Services	Fraudulent payments, financial irregularities etc.	L	All cheques require 3 signatories, one of which is to be the RFO and the other 2 are members. The Council has an Internal Control Policy for all financial matters, as well as Standing Orders, Financial Standing Orders, and Contract Standing Orders.	These Standing Orders and Internal Control Policy are reviewed annually as part of the auditing process. The list of possible signatories was increased in 2014.

Professional Services, Contractors, etc	Misappropriation of contracts, failure of completion of contracts, etc	L	The Internal Control Policy covers this. Any contractors are reviewed to see if they are on the approved list of contractors for County or District Councils and whose services are well-established. Ideally a short list of 3 is drawn up.	See above. Resources Committee has overall control of the Council's budgets and makes recommendation to Council upon any expenditure over and above the budget. Community & Amenities Committee has delegated management responsibility for its own budget.
Provision of amenities/facilities for local community groups	Misuse of facilities.	L	Users of the Community Hall are advised to ensure their own public liability insurance cover is in place and it is suggested that users complete risk assessments for all activities taking place. This is also necessary for the use of any other building or site owned by the Council.	The submission of risk assessments now forms part of the hiring agreement for the Community Hall and St Richard's House. All other sites, such as Kidderminster Road, which has been used by the ATC, require these also.

### Section 3

#### Areas where there may be a need to self-manage risk

Subject	Risk(s)	Risk Level (H/M/L)	Management/Control of Risk	Review/Assess/Revise
Financial records	To be kept in accordance with statutory regulations.	L	This falls to the Resources Committee and forms part of the audit review.	Annual Audit both by the Internal and the External Auditor takes place.
Business activities	To be in accordance with legal powers for Town Councils.	L	The Town Clerk looks to ensure that the Council does not act 'ultra vires'. It is recorded should the Council decide to act against the Clerk's advice.	Minutes are reviewed as part of the audit process by the Internal and the External Auditor.
Requirements under Employment Law	Inland Revenue, personnel matters etc to be in accordance with statutory requirements.	L	Wychavon District Council has been contracted to make the Town Council's salary payments. Salary forecasts are included within budget estimates. All personnel matters are reported to the Chairman of Resources Committee in accordance with Standing Orders and thereon to Resources Committee.	Salaries are now paid on the twenty-fifth day of the month and the relevant revisions to employment contracts are being carried out as arising.
Requirements under Customs and Excise Regulations, including VAT.	Taxation matters to be in accordance with statutory requirements.	L	This is dealt with by the RFO and the Internal Audit .	The Scribe Accounting package is regularly updated and assists with VAT returns.

Annual Precept	Soundness and adequacy. Submission of request to Wychavon District Council and receipt therefrom	L	Committee budgets are reviewed by Resources Committee and then full Council.	This is reviewed by the External Auditor.
Cash	Loss through mishandling, theft, dishonesty	L	A list of all Petty Cash transactions is kept and re-imburement requires signature by another person authorised to sign. All cash received is banked as soon as practicable, in accordance with the Internal Financial Controls Policy.	
Grants to local community bodies	Proper use under specific powers or Section 137	L	Applications for grants are reviewed by the Grants Appraisal Panel and then presented to Community and Amenities Committee for approval. Section 137 grants are listed separately in the annual accounts.	
Minuting of Council business	Accuracy of recording	L	Minutes are prepared by Clerk and distributed in advance of the subsequent meeting, verified as a correct record at that meeting and signed by the Chairman. Minutes are presented to Council of all committees.	Minutes are numbered sequentially and are sent for binding at regular intervals. Signed copies are kept in safes within the Office.
Rights of Inspection by the public of certain 'open' documents	Adherence to legislation	L	All documents listed for public viewing under legislation are available to view and copies may be provided upon demand at a reasonable cost.	All appropriate requests are actioned.



Consultation documentation	Responses within timescales set	L	In the majority of consultations the matter is presented to Committee. Should the timescale of the consultation and the Town Council's Programme of Meetings mean that this is not possible, the Chairman of the relevant Committee is consulted.	Action upon consultation documents is minuted.
Receipt and retention of documentation	Loss of information	L	Documents and letters are retained in accordance with legislation and incoming mail is date-stamped.	Regular archiving and a new filing system has been introduced
Members Register of Interests	Up-to-date information to be listed	L	The individual Register of Interests form for each Councillor is held by the Monitoring Officer at Wychavon District Council. A copy is retained by the Town Clerk.	It is the responsibility of the individual member to advise of changes.
Election Costs	Requirement to budget – NB democratic process	L/M Higher in Election year	Costings in election year are obtained from Wychavon District Council.	Requirement to include for by-election within annual budget. This is now done each year. Also included annually is a one-third proportion of the local government elections costs.
Computerised information	Loss of information	L	A remote and automated back-up service of the Town Council's computerised information is provided via Cobweb Services'	A full review of the IT requirements of the Council has been undertaken and new equipment has been purchased. Regular updates are purchased as required.