



PENRYN TOWN COUNCIL

Risk Management Strategy

Introduction

Penryn Town 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 Penryn Town Council.

The Town Clerk will review risks on a regular basis, including any newly identified risks, and will report to Council. 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 risk threatens the achievement of policy objectives. Members should, therefore:

1. take steps to identify key risks facing the Council;
2. evaluate the potential consequences to the Council if an event identified as a risk takes place; and
3. 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:

1. Areas where there may be scope to use insurance to help manage risk
2. Areas where there may be scope to work with others to help manage risk
3. Areas where there may be need for self-managed risk.

Areas where there may be scope to use insurance to help manage risk

Risk identification

- (a) Protection of physical assets e.g. buildings, furniture, equipment and regalia

All physical assets held by Penryn Town Council are insured with Zurich under Policy No. YLL-272002-2493.

- (b) Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public

Penryn Town Council has a Public Liability Insurance of £15,000,000. The Policy also covers personal accident liability cover for employees, members and volunteers.

- (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 Fidelity Guarantee cover up to £250,000 for both all members and employees.

- (e) Legal liability as a consequence of asset ownership (public liability)

See (b) above.

Internal controls

- (a) Maintain an up-to-date register of Assets and Investments

An Asset Register is compiled annually by the Finance Officer.

(b) Regular maintenance for physical assets

Regular inspections of the outdoor gym equipment sited in the Memorial Gardens should be carried out.

Maintenance of buildings and offices are inspected on a regular basis and repairs are done on a responsive basis.

(c) Annual Review of risk and the adequacy of insurance cover

The Town Clerk reviews the insurance cover annually, makes recommendations, as necessary, to Council and updates cover as required.

(d) Ensuring robustness of insurance providers

The Town Council is reviewing its insurance cover over the coming year to ensure that the cover is sufficiently robust.

Internal audit assurance

(a) Review of internal controls in place and their documentation

A Statement of Internal Control has been presented to the Town Council for adoption by the Town Clerk. Recommendations from the Internal Auditor are submitted to Council.

(b) Review of management arrangements regarding insurance cover

This forms part of the Internal Audit and any recommendations are reported to Council. The Policy is reviewed on an annual basis close to the annual renewal date by the Town Clerk and Finance Officer.

(c) Testing of specific internal controls and reporting findings to management

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

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

Risk identification

(a) Security for vulnerable buildings, amenities or equipment

The Council's offices and museum have an alarm system monitored by the contracted security company. Members of staff can be contacted via an emergency contact list.

In the event of any breaches of security appropriate measures are taken as soon as practical to re-secure the property.

(b) Maintenance for vulnerable buildings, amenities or equipment

All premises are maintained within approved budget. In-house maintenance is undertaken where possible and contractors used as needed, with quotations received in advance of any work done.

(c) Banking services

All cheques require two signatures by designated Council Members. 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 approved contractors. Any professionals whose services it uses are well established and often selected on recommendation. Ideally a shortlist of three is drawn up.

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 were adopted in January 2014 and are reviewed on an annual basis.

- (b) Clear statements of management responsibility for each service

The Council regularly reviews all payments made and reviews the impact these payments have on all the budgets.

- (c) Regular scrutiny of performance against targets

See (b) above.

- (d) Arrangements to detect and deter fraud and/or corruption

Invoices are subjected to scrutiny by both the Finance Officer and the cheque signatories who are Councillors. Cheques are written out by the Finance Officer who enters invoices into the accounting software.

- (e) Regular bank reconciliations, independently reviewed

Bank statements are received monthly and are checked by the Finance Officer on a monthly basis. Reconciliation is done on a monthly basis and the bank reconciliation is presented to Council.

Internal audit assurance

- (a) Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the Town Clerk and Internal Auditor. Recommendations from the Town Clerk and Internal Auditor are submitted to Council.

- (b) Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied

The Town Clerk and Finance Officer 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 Penryn Town Council are asked for proof of insurance cover.

- (e) Testing of specific internal controls and reporting findings to management

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

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

Risk identification

- (a) Keeping proper financial records in accordance with statutory regulations

All financial records are kept in accordance with the statutory requirements. Responsibility falls with the Council and these records are reviewed as part of the Audit process.

- (b) Ensuring all business activities are within legal powers applicable to Parish Councils

The Town Clerk and Finance Officer 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) Complying with restrictions on borrowing

The Council is permitted to borrow money but currently this has not been utilised.

- (d) Ensuring that all requirements are met under employment law and Inland Revenue regulations

Inland Revenue calculations are made by the Council's accounts software and the payroll is subject to the audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are in accordance with the National Joint Council. For employment law and other matters the Council seeks independent legal advice as necessary from the Cornwall Association of Local Councils and ACAS.

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

All such requirements are met by the Finance Officer and the Internal Audit process. Independent advice is taken when necessary from Inland Revenue and VAT websites.

- (f) Ensuring the adequacy of the annual precept within sound budgeting arrangements

Budgets are approved by full Council in accordance with the Council's budget procedure.

- (g) Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137

Grant applications are considered by full Council for approval. Section S137 payments are listed separately in the annual accounts.

- (h) Proper, timely and accurate reporting of the Council business in the minutes

Council and Committee minutes are prepared by the Town Clerk. They are distributed to Members in advance of the subsequent meeting, verified as a correct record as one of the first items of business of that meeting and signed at the meeting.

- (i) Responding to electors wishing to exercise their rights of inspection

The rights of inspection to electors is adhered to in accordance with current legislation. In accordance with the Freedom of Information Act, all relevant documents are available on demand by post and in addition, meeting schedules and minutes, once approved, are published on the Council's website.

- (j) Meeting the laid down timetables when responding to consultation invitations

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

- (k) Proper document control

Paperwork is retained in accordance with national guidelines and relevant documents are available for viewing on request. All incoming mail is date stamped.

- (l) Register of members' interests and gifts and hospitality in place, complete, accurate and up-to-date

The members' register of interest is held by the Town Clerk and a copy is held by the Monitoring Officer at Cornwall Council. To the best knowledge of the Town Clerk these are accurate and up to date. It is the responsibility of Members to notify the Town Clerk of changes.

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. These are reviewed on an annual basis and inspected by the external auditor.

- (b) Recording in the minutes the precise powers under which expenditure is being approved

The Town Clerk and Finance Officer 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) Regular returns to the Inland Revenue; contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by Council

Inland Revenue Returns are completed and submitted by the Finance Officer. Salaries are calculated by the Finance Officer and these are checked on a regular basis by the independent external auditor. Staffing issues are referred to the Staffing Committee for recommendation to Council.

- (d) Regular returns of VAT

The Finance Officer is responsible for completion and submission of VAT returns and these are carried out quarterly by using the Council's accounting software. These are then submitted by using the HMRC website. The Town Clerk ensures that appropriate training is undertaken to keep up to date with legislation.

(e) Developing system of performance measurement

In accordance with legislation, staff appraisals will be undertaken annually, by the Town Mayor and Chairman of the Staffing Committee in the case of the Town Clerk and by the Town Clerk in the case of other staff. These are reported to the Staffing Committee, with the minutes of the meeting being reported to full Council.

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

Grants are approved in accordance with the Council's Grants Policy.

(g) Minutes properly numbered with a master copy kept in safekeeping

All Council and Committee minutes are correctly numbered. These are loose leaf and signed copies are filed and kept in the office. Copies are available for members and the public and originals are available for inspection. All minutes are inspected by the external auditor as part of the audit process.

(h) Documented procedures to deal with enquiries from the public

Calls, letters and emails are dealt with as soon as practicable.

(i) Documented procedure to deal with responses to consultation

Consultation requests are referred to Council. They may be further delegated to a Working Group. The course of action taken is minuted. Copies of correspondence are available to all Members on request.

(j) Documented procedures for document receipt, circulation, response, handling and filing

The Customer Support Officer receives and delegates all mail to the Town Clerk and Finance Officer. Where appropriate, mail is then distributed to the appropriate Committees for their responses. Mail for action by administration 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

The members' register of interest is held by the Town Clerk and a copy is held by the Monitoring Officer at Cornwall Council. To the best knowledge of the Town

Clerk these are accurate and up to date. It is the responsibility of Members to notify the Town Clerk of changes.

(m) Adoption of Codes of Conduct for members and employees

The Council adopted the Code of Conduct for Members in June 2013. Employees' Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

Internal audit assurance

(a) Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the Town Clerk and Internal Auditor. Recommendations from the Town Clerk and Internal Auditor are submitted to Council.

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

The Town Clerk and Finance Officer 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) Testing of income and expenditure from minutes to the Council's accounting package, from bank statements to the Council's accounting package, from minutes to statements etc.

The testing of these procedures forms part of the internal controls currently in place. The system is also tested during the audit process.

(d) Review and testing of arrangements to prevent and detect fraud and corruption.

See risk assessment.

(e) 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.

(f) Computer data safety

All necessary procedures and documents are computerised and all relevant areas of systems are backed-up weekly to a memory stick which is stored in the Council's safe.