



CITY OF ELY COUNCIL

RISK MANAGEMENT POLICY STATEMENT AND PROCEDURES

The City of Ely Council is committed to a comprehensive and pro-active approach to risk identification and management for all its services and activities.

The Clerk will take steps to actively promote a risk management culture and will, on a regular basis, review the Council's achievement of effective risk management.

All Members and staff will have regard to risk in the carrying out of their duties. A risk assessment will be undertaken, where appropriate, before any task is commenced.

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Members should 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; and decide upon appropriate measures to avoid, reduce or control the risk or its consequences.

Control measures that must be followed:

1. USE OF INSURANCE TO HELP MANAGE RISK

Risk Identification:

Insurance cover for risk is the most common approach to certain types of inherent risk

- ◆ Ensure protection of physical assets owned by the Council – buildings, furniture, equipment, etc (loss or damage)
- ◆ The risk of damage to third party property or individuals as a consequence of the Council providing services or amenities to the public (public liability)
- ◆ The 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)
- ◆ Loss of cash through theft or dishonesty (fidelity guarantee)
- ◆ Legal liability as a consequence of asset ownership (public liability)

Internal Controls:

The Council's internal controls to include:

- ◆ An up to date register of assets and investments
- ◆ Regular maintenance arrangements for physical assets
- ◆ Annual review of risk and the adequacy of cover
- ◆ Ensuring the robustness of insurance providers

Internal Audit Assurance:

Internal audit testing to include:

- ◆ Review of internal controls in place and their documentation
- ◆ Review of management arrangements regarding insurance cover
- ◆ Testing of specific internal controls and reporting findings to management

2. WORKING WITH OTHERS TO HELP MANAGE RISK

Risk Identification:

This section is relevant to services bought from an external specialist body

- ◆ Security for vulnerable buildings, amenities or equipment
- ◆ Maintenance for vulnerable buildings, amenities or equipment
- ◆ The provision of services being carried out under agency/partnership agreements with principal authorities
- ◆ Banking arrangements, including borrowing or lending
- ◆ Ad hoc provision of amenities/facilities for events to local community groups
- ◆ Vehicle or equipment lease or hire
- ◆ Trading units (leisure centres, playing fields, burial grounds etc)
- ◆ Professional services (planning, architects, accountancy, design etc)

Internal Controls:

The Council's internal controls to include:

- ◆ Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment
- ◆ Regular reporting on performance by suppliers/providers/contractors
- ◆ Annual review of contracts
- ◆ Clear statements of management responsibility for each service
- ◆ Regular scrutiny of performance against targets
- ◆ Arrangements to detect and deter fraud and/or corruption
- ◆ Regular bank reconciliations, independently reviewed.

Internal Audit Assurance:

Internal audit testing to include

- ◆ Review of internal controls in place and their documentation
- ◆ Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied
- ◆ Review and testing of arrangements to prevent and detect fraud and corruption
- ◆ Review of adequacy of insurance cover provided by suppliers
- ◆ Testing of specific internal controls and reporting findings to management

3. SELF-MANAGEMENT OF RISK

Risk Identification:

This section covers activities that create business risk, but do not fall into sections 1 or 2, principally because they are either difficult to quantify or considered inefficient to have provided externally or just uninsurable.

- ◆ Keeping proper financial records in accordance with statutory requirements
- ◆ Ensuring all business activities are within legal powers applicable to local councils
- ◆ Complying with restrictions on borrowing
- ◆ Ensuring that all requirements are met under employment law and Inland Revenue regulations
- ◆ Ensuring all requirements are met under Customs and Excise regulations (especially VAT)
- ◆ Ensuring the adequacy of the annual precept within sound budgeting arrangements
- ◆ Monitoring of performance against agreed standards under partnership arrangements
- ◆ Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137
- ◆ Proper, timely and accurate reporting of council business in the minutes
- ◆ Responding to electors wishing to exercise their rights of inspection
- ◆ Meeting the laid down timetables when responding to consultation invitation
- ◆ Proper document control
- ◆ Register of members' interests and gifts and hospitality in place, complete, accurate and up to date
- ◆ Ensuring all requirements under the Freedom of Information Act 2000

Internal Controls:

The Council's internal controls to include:

- ◆ Documented procedures to deal with enquiries from the public
- ◆ Documented procedures to deal with responses to consultation requests
- ◆ Documented procedures for document receipt, circulation, response, handling and filing
- ◆ Procedures in place for recording and monitoring members' interests and gifts and hospitality received
- ◆ Adoption of code of conduct for members and employees

Internal Audit Assurance:

Internal audit testing to include:

- ◆ Review of internal controls in place and their documentation
- ◆ Review of minutes to ensure legal powers in place, recorded and correctly applied
- ◆ Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc, including petty cash transactions
- ◆ Review and testing of arrangements to prevent and detect fraud and corruption
- ◆ Testing of disclosures
- ◆ Testing of specific internal controls and reporting findings to management

This Policy will be reviewed on an annual basis.

Reviewed and approved 9th March 2020

Signed (Cllr M Rouse - Chairman)