Hunstanton 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 Hunstanton Town Council.

The Clerk will review risks on a regular basis, including any newly identified risks, and will report to the Full 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 –

- 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, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken into the following areas:

- Areas where there may be scope to use insurance to help manage risk
- Areas where there may be scope to work with others to help manage risk
- 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**

1A **RISK IDENTIFICATION**
a. **Protection of physical assets e.g. buildings, furniture, equipment and regalia**
   All physical assets are insured with Zurich under Policy AC/5276313.

b. **Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public**
   HTC has a Public Liability Insurance of £10,000,000. It has also Employers liability cover of £10,000,000 under the above policy.

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 of £2,000 for both all members and employees.

e. **Legal liability as a consequence of asset ownership (public liability)**
   See b. above

1 B **INTERNAL CONTROLS**

a. **Maintain an up-to-date register of Assets and Investments**
   An Asset Register is compiled annually by the Responsible Financial Officer and presented to Council with Annual Accounts each year.

b. **Regular maintenance for physical assets**
   The Clerk, Caretaker and an appointed Health & Safety Officer undertake regular inspection of the Town Hall. Maintenance of buildings, sites and equipment is undertaken on a responsive basis.

c. **Annual Review of risk and the adequacy of insurance cover**
   The Responsible Financial Officer reviews the insurance cover annually, makes recommendations, as necessary, to the Finance Committee and updates cover as required. The insurance schedule is presented to the Council for approval annually.

d. **Ensuring robustness of insurance providers**
   There are two main insurers for local councils – Zurich Municipal and Allianz Cornhill. HTC uses Zurich Municipal and the RFO is confident that Zurich Municipal Insurance cover is sufficiently robust.

C **INTERNAL AUDIT ASSURANCE**

a. **Review of internal controls in place and their documentation**
   Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to HTC through the Finance Committee. HTC also has two Councillors appointed as Audit Watchdogs, it is their responsibility to carry out ad hoc inspections.

b. **Review of management arrangements regarding insurance cover**
   This forms part of the Finance Committee review at time of annual renewal.

c. **Testing of specific internal controls and reporting findings to management**
This is undertaken as part of the audit process. Reports are presented to Finance Committee and minuted accordingly.

SECTION 2

AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

2 A RISK IDENTIFICATION

a. Security for vulnerable buildings, amenities or equipment
The Council’s public building, (the Clerk’s Office, the Council Chamber and the Town Hall), has a Caretaker who ensures the building is secure. The Caretaker lives approximately 300 yards away from the building. In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Crime reports are obtained for all breaches of security by contacting Norfolk Police.

b. Maintenance for vulnerable buildings, amenities or equipment
All premises are maintained within approved budget. In-house maintenance is undertaken where possible by the Caretaker and contractors used as needed, with quotations received in advance of any.

c. Banking Services
Reviewed periodically by Finance Committee. All cheques require three signatures, two assigned Members and Clerk or Deputy Clerk. The Finance Committee and full Council review all payments.

d. Provision of amenities / facilities for local community groups
The Council has approved the use of its Town Hall on a charge basis. Users are advised to ensure their own public liability insurance cover.

e. 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 from NCC or BCKLWN. Any professionals whose services it uses are well established and often selected on recommendation. Ideally a short-list of three is drawn up.

2B 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 (last review May 2007) and Financial Regulations (last reviewed 2006) that govern the awarding of contracts.

b. Clear statements of management responsibility for each service
Each committee and working party has set terms of reference. All committee recommendations are put to Full Council for adoption. Only the planning Committee has the right to use executive powers.

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 RFO and the cheque signatories who are the Clerk and Councillors respectively.

e. **Regular bank reconciliations, independently reviewed**
   Bank statements are received monthly and are seen by the Clerk (RFO). A reconciliation is presented at each Finance Committee at which time the bank balances are confirmed.

### 2C INTERNAL AUDIT ASSURANCE

a. **Review of internal controls in place and their documentation**
   Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council through the Finance Committee.

b. **Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied**
   The Clerk 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 HTC are asked for proof of insurance cover.

e. **Testing of specific internal controls and report findings to management**
   This is undertaken as part of the audit process. Reports are presented to the Finance Committee and minuted accordingly.

### SECTION 3

#### AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

### 3A RISK IDENTIFICATION

a. **Keeping proper financial records in accordance with statutory regulations**
   Financial records kept in accordance with the statutory requirements fall with the responsibility of the Finance Committee and are reviewed as part of the Audit process.

b. **Ensuring all business activities are within legal powers applicable to Town or Parish Councils**
   See Section 2 Internal Audit Assurance (b.)

c. **Complying with restrictions on borrowing**
   The Council is within the current borrowing perimeters.
d. **Ensuring that all requirements are met under employment law and Inland Revenue regulations**
   Inland Revenue calculations are made by the RFO (the Clerk) and are subject to the audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases are recommended by Finance Committee to Full Council for adoption. Independent legal advice is taken as necessary.

e. **Ensuring all requirements are met under Customs and Excise regulations (especially VAT)**
   All such requirements are met by the Responsible Financial Officer and the Internal Audit process.

f. **Ensuring the adequacy of the annual precept within sound budgeting arrangements**
   Budgets are reviewed by the Finance Committee and 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 the Finance Committee and recommended to full Council for approval. Section 137 grants are listed separately in the annual accounts.

h. **Proper, timely and accurate reporting of the Council business in the minutes**
   Council minutes are prepared by the Clerk or Deputy 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. Failure to do so is recorded. Committee minutes are presented to full Council for information of recommendations and are signed as a correct record at the subsequent committee meetings.

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.

l. **Register of members’ interests and gifts and hospitality is place, complete, accurate and up-to-date**
   The members’ register of interest is held by the Clerk and a copy is held by the Monitoring Officer at the Borough Council of King’s Lynn & West Norfolk. To the best knowledge of the Clerk these are accurate and up-to-date. It is the responsibility of Members to notify the Clerk of changes.
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.

b. **Recording in the minutes the precise powers under which expenditure is being approved**
   See Section 2 Internal Audit Assurance (b.)

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 Clerk. Salaries are calculated by the Clerk and are subject to internal audit. Staffing issues are referred by the Employment Working Party to the Finance Committee for recommendation to Full Council.

d. **Regular returns of VAT**
   The Clerk as RFO is responsible for completion and submission of VAT returns. Presented to Finance Committee and submitted quarterly. Council ensured that the Clerk received adequate training on the computerised accounting system.

e. **Developing system of performance measurement**
   In accordance with legislation, staff appraisals will be undertaken annually, by Employment Working Party in the case of the Clerk, and by the Clerk in the case of other staff. These are reported to the Finance Committee with recommendation to Council.

f. **Procedures for dealing with and monitoring grants, or loans, made or received**
   See Table 1 Risk identification (h.) There is no outstanding loan made. See Table 2 loan outstanding, repayment schedule.

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 sent Hunstanton Library and Borough Councillors for this area monthly. Original copies are kept in Minute books in the Clerk’s office.

h. **Documented procedures to deal with enquiries from the public**
   Calls, letters and e-mails are dealt with as soon as practicable unless referred to Council or Committee. In such cases, acknowledgement of enquiry is made.

i. **Documented procedure to deal with responses to consultation requests**
   Consultation requests are referred to Committee. They may be further delegated to a working group. The course of action taken is minuted. Copies of correspondence are available to all Members upon request.

j. **Monitoring arrangements regarding Quality Council status**
   The Clerk monitors the actions of the Council to ensure it carries out its duties and services in accordance with the Quality Council accreditation.
k. **Documented procedures for document receipt, circulation, response, handling and filing**
The Clerk receives and delegates all mail. All relevant mail is listed with Council or a Committee for consideration of information. 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**
See Section 3 Risk identification (l.)

m. **Adoption of Codes of Conduct for members and employees**
The Council adopted the Code of Members Conduct in April 2002 and the 2007 Revised Code of Conduct including paragraph 12(2) on 2nd May 2007. Employees’ Code of Conduct is in accordance with their individual contracts of employment. At present there is no other statutory code for employees.

### 3C INTERNAL AUDIT ASSURANCE

a. **Review of internal controls in place and their documentation**
Internal controls are reviewed as necessary by the Clerk and Internal Auditor. Recommendations from the Clerk and Internal Auditor are submitted to Council through its Finance Committee.

b. **Review of minutes to ensure legal powers in place, recorded and correctly applied**
See Section 2 Internal Audit Assurance (b.)

c. **Testing of income and expenditure from minutes to accounts, from bank statements to accounts, 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 Strategy.

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 Clerks computers are backed-up regularly to zip disk.

Reviewed and amended 13th February 2017
Next review due February 2018