



15<sup>th</sup> October 2018

In accordance with Paragraphs 7 & 10(2) (b) of Schedule 12A of the Local Government Act 1972 I hereby summon you to attend a Meeting of **PETERLEE TOWN COUNCIL** to be held in the **Council Chamber**, Shotton Hall, Peterlee, SR8 2PH, on **Monday 22<sup>nd</sup> October 2018 at 6.30pm**

Ian Morris M.C.I.H., P.S.L.C.C

Town Clerk

(Proper Officer of the Council)

**Members of the Committee and members of the public are reminded that the public part of the meeting may be recorded in both audio and video, and photographs may be taken.**

**BUSINESS TO BE TRANSACTED**

1. Apologies for Absence

2. Public Participation Session

Will be held to allow Members of the public an opportunity to put questions to the Council. This item of business to last no more than 15 minutes, as per Council Standing Orders.

3. To receive declarations of interest

Members are reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. Please seek advice from the Town Clerk or Deputy Town Clerk **prior to the meeting** if in doubt.

Members are reminded that they can check their published declaration of interests here: <https://bit.ly/2wVyeLA>

4. To Approve the Minutes of the Council Meeting of the 24<sup>th</sup> September 2018

The minutes of the previous meeting are attached for consideration and approval as a true and correct record.

(attached)

5. The Minutes of the Resources Committee of the 1<sup>st</sup> October 2018

The minutes of the previous meeting are attached for consideration and approval as a true and correct record.

(attached)

6. The Minutes of the Community & Environment Committee of the 8<sup>th</sup> October 2018

The minutes of the previous meeting are attached for consideration and approval as a true and correct record.

(attached)

7. The Minutes of the Scrutiny & Progress Meeting of the 21<sup>st</sup> September 2018

The meeting was not quorate with only 4 members present and there were no minutes taken.

8. Conclusion of the Audit 2017/18

To consider the report of the External Auditor for the 2017/18 Audit

(letter attached)

9. Peterlee Town Council Assets & Investment Policy

The report of the Town Clerk intended to provide Members with an Assets & Investment Policy for the Town Council, following feedback given at the Resources Committee.

(report attached)

10. Review of the Town Council's Approach to Risk and Risk Register

This report is intended to provide Members with an overview of the Council's approach to managing risk, outline the key internal risk controls, and to carry out the annual review of the Council's Risk Register as required by regulation.

(report attached)

11. Planning Application

Redevelopment of former college site to provide a mixed use scheme with three retail units and a restaurant with drive through and coffee house with drive through for Quora (Peterlee) Ltd

For feedback/comments

12. Amendments to Committee membership

(a) Town Clerk's Appraisal Sub Committee

Currently Councillors A Watson, K Hawley, S Meikle, T Duffy & R Moore

(b) Scrutiny & Progress Meeting

Currently Chair A Watson, Vice Chair K Hawley, S Miles, T Duffy, K Duffy, J Robinson, S Franklin, S McDonnell, S Meikle, M A Cartwright, R Moore, A C Long, L Fenwick & C Watkins

13. Exclusion of the Press and Public

**To Resolve that in view of the confidential nature of the items to be discussed, the committee pass the formal resolution to exclude the press and public from the meeting, pursuant to the Public Bodies (Admissions to Meetings) Act 1961 & the Local Government (Access to Information) Act, Part 1, paragraph 7.**

14. Review of Hill Rigg House

This report is intended to provide Members with an overview of the various uses and future options for Hill Rigg House, Lowhills Road. This report is exempt from publication as it refers to matters of relating to the detailed commercial arrangements with one or more tenants.

15. Spokesperson of the North East Party's Report

16. Spokesperson of the Labour Political Party's Report

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE TOWN COUNCIL

HELD IN THE COUNCIL CHAMBER, SHOTTON HALL, PETERLEE

ON MONDAY 24<sup>TH</sup> SEPTEMBER 2018 at 6.30PM

PRESENT:- COUN S MEIKLE (CHAIR)

Mesdames:- A C Long, K Hawley, K Liddell, M A Cartwright, K Duffy, S McDonnell, L Fenwick & S Simpson

Messrs:- T Duffy, S McGlen, G Carne, A Wilkinson, R Kyle, J Robinson, R Moore, S Miles, C Watkins & A Watson

63. Apologies for Absence

Apologies had been submitted by Councillor V Watson, A Watson & S Kirkup. **RESOLVED the Council approve the reason submitted for absence received from the Councillors listed, and their apologies for absence be recorded.**

64. Cultivating Change – Young Hero’s Presentation

The Chair welcomed Chief Inspector Lee Blakelock and PCSO Michelle Burr to the meeting and they gave a presentation outlining the “problem orientated” approach to policing in Peterlee, and in particular the partnership approach to working with young people in the Town.

The members of the public present at the meeting offered their congratulations on the excellent work done. The Mayor also thanked the Officers for their hard work and commitment to the Town and its residents. **RESOLVED the information given be noted.**

65. Public Participation Session

A public participation session was held to allow members of the public an opportunity to put questions to the Council.

66. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise, none were given.

67. The Minutes of the Council Meeting of the 20<sup>th</sup> August 2018 a copy of which had been circulated to each Member, were approved.

Matters Arising

- (i) Minute Number 60 – PLGA & Lowhills Road Shop

It was agreed the minute be amended to clarify that the notice applied only to any items remaining in the former shop and store rooms. **RESOLVED the changes be agreed.**

- (ii) Minute Number 56(i) – Hill Rigg House

The site visit had arranged for Wednesday 19<sup>th</sup> September 2018 and several Members had gone along to view the facilities. Progress on works to the changing rooms was requested and the Town Clerk advised he, along with the Sports & Well Being Manager, were investigating grant funding opportunities for this work and would report back to Council. **RESOLVED a further report be awaited.**

68. The Minutes of the Resources Committee of the 3<sup>rd</sup> September 2018 a copy of which had been circulated to each Member, were approved.

69. The Minutes of the Community & Environment Committee of the 10<sup>th</sup> September 2018 a copy of which had been circulated to each Member, were approved, subject to Councillor Carne's apologies being recorded.

Matters Arising

- (i) Minute Number 36 – donation of fruit cage frame to Woodhouse Park Community Garden

**RESOLVED the minute be amended to read Acre Rigg Infants School and not Acre Rigg Academy as stated.**

- (ii) Minute Number 38 – Former Bowls Pavilion, Lowhills Road

Members asked for progress with this item. The Town Clerk reported he had, that evening, given a presentation to those group and organisations that had expressed an interest in using the building. He had asked them to prepare a Business Plan and given a six week turnaround for them to return them to the Council. In the meantime he would be making progress with the required legal process for drawing up a lease for the site. **RESOLVED a further report be awaited**

70. The Minutes of the Scrutiny & Progress Meeting of the 7<sup>th</sup> September 2018

It was noted the meeting was not quorate with only 3 Members present and there were no minutes taken.

71. Purchase of John Deere Tractor

Members were requested to approve the purchase of a John Deere Tractor and attachments from Greenlay Limited at a value of £20,215.02 and they considered the joint report of the Town Clerk & Parks Manager which had been circulated. **RESOLVED the contract for the new tractor and fittings be awarded to Greenlay Ltd at a cost of £20,215.02. FURTHER RESOLVED approval be given to the virement of £5,125.00 into the new vehicles budget from underspend elsewhere in the capital programme.**

72. Planning Application

<https://publicaccess.durham.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=PCW776GDMHG00>

Ref:- Planning application DM/18/02369/FPA

Erection of Office headquarters with associated car parking etc, The Sands & Durham Sixth Form Car Park, Freemans Place, Durham

This item had been requested by Councillor A Watson and following consideration it was **RESOLVED the Town Council object to this application as it was at odds with saved policy E3, Durham Cathedral & Castle World heritage site, and will be protected by 1) restricting development to safeguard local and long distance views to and from the castle and cathedral peninsula and 2) in accordance with policies E1,E5,E6,E10,E23 & E24. A recorded vote was requested by Councillor T Duffy and it was as follows:- For the recommendation to object to the application Councillors K Hawley, K Duffy, T Duffy, R Moore, G Carne, S McDonnell, J Robinson, A Wilkinson, M A Cartwright, A C Long, K Liddell, S Simpson & R Kyle. There were abstentions from Councillors S McGlen, L Fenwick & S Miles And Councillor A S H Meikle objected.**

73. Spokesperson of the North East Party's Report

Councillor K Duffy gave the report on Councillor Watsons's behalf. Councillor K Duffy gave a sincere thankyou and congratulations for a "job well done" to everyone involved in the preparation and presentation of Peterlee's 46<sup>th</sup> Annual Show. She said it was a fabulous weekend of family fun and she had heard good reviews and comments. She believed that even more people attended this year than ever before and it really did bring the community together to share good times.

Secondly she said how pleased she was to see the fence around the Roy Simpson Oval was almost complete. Peterlee Cricket Club could look forward to years of play in safety and the oval would be saved from the damage it had faced over the recent years from motorbikes and cars.

She said the councillors and other community services were reaching out and working hard to make Peterlee a better place for everyone. **RESOLVED the information given be noted.**

74. Spokesperson of the Labour Party's Report

Councillor Fenwick acknowledged the good work of Durham Constabulary Officers, Chief Inspector Lee Blakelock and especially PCSO Michelle Burr who she felt she was an asset to Peterlee and by engaging with the youth of the Town in our communities she was giving them a chance to turn their lives around and so helping to reduce anti social behavior. She offered her thanks for all the work she does. She reported it was good to see the old college site was to be redeveloped soon and even when some may not agree on the use of the land there was no denying that the extra jobs would be welcomed.

Councillor Fenwick thanked DCC Clean & Green Team on the work they were doing on the underpasses in the Town she said they were looking clean, jet washed and painted, and she hoped they would stay tidy and graffiti free for a long while.

By the same token she expressed her disappointment to have the blue fencing around the former college site covered in graffiti last week , but thankfully this had been cleaned off that day.

She thanked the Parks Department staff for clearing the trees and branches up from last week's storm. She felt it was good to see so many people working to keep Peterlee tidy and she felt things were really looking up for residents. **RESOLVED the information given be noted.**



THE MINUTES OF THE MEETING OF THE  
RESOURCES COMMITTEE HELD IN THE COUNCIL CHAMBER, SHOTTON HALL,  
PETERLEE ON MONDAY 1<sup>ST</sup> OCTOBER 2018 AT 6.30PM

PRESENT: COUN A WATSON (CHAIR)

Mesdames:- A C Long, K Hawley, L Fenwick, K J Duffy & M A Cartwright

Messrs:- C Watkins, S McGlen, G L Carne, S Miles, A Wilkinson, R Moore, T Duffy & S Meikle

**The Chairman asked for a minute silence as a mark of respect for the victims of the recent earthquake and tsunami in Indonesia.**

22. Apologies for Absence

Apologies had been submitted and accepted from Councillors K Liddell, S Simpson, M McDonnell, T Duffy, V Watson & J Robinson. **RESOLVED the Council approve the reasons submitted at the meeting for absence received from the Councillors listed, and their apologies for absence be recorded.**

23. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. None were disclosed.

24. To approve the minutes of the previous meeting

Members approved the minutes of the last meeting of this Committee held on 3<sup>rd</sup> September 2018 and they were signed as a true and correct record.

25. Report of the Finance Sub Committee of the 20<sup>th</sup> September 2018

Members asked on progress with reviewing the Finance Sub Committee and the use of electronic payments and the Town Clerk gave a brief update. Members asked that the final payment for the fencing works not be paid until all of the snagging items given had

been completed and resolved to the full satisfaction of the Town Council. **RESOLVED the payments approved at the meeting of this sub committee held on 21<sup>st</sup> June 2018, a copy of the minutes circulated, be noted.**

26. Audit 2017/18

The Town Clerk reported receipt of the external auditor's opinion for the 2017/18 accounts and it was confirmed the completion of the audit notice had been posted on the web site in accordance with Regulations. There had been two issues raised by the Auditor and these would be considered at the Council Meeting. **RESOLVED that the report be considered at the Council Meeting.**

27. 2017/18 Quarter One Budget report

**RESOLVED this report of the Town Clerk be awaited.**

28. Peterlee Town Council Investment Policy

The report of the Town Clerk providing a draft of a new investment policy for the Town Council, had been circulated. Members suggested several amendments which included any changes to the asset register be reported periodically into the Resources Committee. During consideration of the report Members asked about the process for the disposal of assets they were no longer of any use to the Council. **RESOLVED Members note the content of the report and the attached draft policy, and the feedback provided be included in the policy with the final report being considered at the Council Meeting. FURTHER RESOLVED a disposal of assets policy be drafted for consideration by Council.**

29. Volunteer Policy

The amended version of the policy and associated documents were circulated for consideration and approval. There were several further amendments made and it was **RESOLVED this be re drafted and circulated for approval.**

THE MINUTES OF THE MEETING OF THE  
COMMUNITY & ENVIRONMENT COMMITTEE HELD IN THE COUNCIL CHAMBER,  
SHOTTON HALL,

PETERLEE ON MONDAY 8<sup>TH</sup> OCTOBER 2018 AT 6.30PM

PRESENT: COUN M A CARTWRIGHT (CHAIR)

Mesdames:- L Fenwick, S Simpson, K J Duffy, K Hawley & V Watson

Messrs:- S P Franklin, S McGlen, A Watson, A Watson, R Moore, T Duffy,  
A S H Meikle, S Miles & C Watkins

**The Chairman advised Members of the committee that part of the meeting may be recorded by both audio and video, and it may be that photographs were taken.**

41. Apologies for Absence

Apologies had been submitted and accepted from Councillors S McDonnell, A C Long, K Liddell & R Kyle. **RESOLVED the Council approve the reason submitted for absence received from the Councillors listed, and their apologies for absence be recorded.**

42. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise.

43. Minutes of the last Meeting held on 10<sup>th</sup> September 2018, a copy of which had been circulated, were approved and signed as a true and correct record.

44. Update on Sports Development Activities

The report of the Sport & Wellbeing Manager providing information for Members about activities, PACES, events and meetings, a copy of which had been circulated to each Member, was considered. The Sports & Well Being Manager reported the Tai Chi 4 week taster session had gone well with 10 participants and a further 5 expected the next week. The walk and talk event had been well attended and had been a very social event. **RESOLVED the contents of the report be noted.**

45. Minutes of the Woodhouse Park Working Party of the 5<sup>th</sup> September 2018 a copy of which had been circulated, were approved and signed as a true and correct record.
46. Notes of the Play Area Strategy Meeting of the 25<sup>th</sup> September 2018 a copy of which had been circulated, were approved and signed as a true and correct record.
47. Minutes of the Events Working Party of the 26<sup>th</sup> September 2018 a copy of which had been circulated, were approved and signed as a true and correct record.

48. Draft Notice of Motions submitted by Councillor A Watson

(a) Elimination of Single use plastics

Consideration was given to this Notice of Motion. The Town Clerk advised this had been discussed at the Strategic Management Team and Officers were very supportive of this and the Town Clerk tasked each department to identify 2 or 3 specific actions that they could achieve within their departments to reduce the use of single use plastics. He intended bringing a report back to Members should this motion be adopted. **RESOLVED PTC commit to eliminate all non recyclable single use plastic within Town Council managed buildings and facilities by 2020. FURTHER RESOLVED a report from the Town Clerk be awaited.**

Councillor K J Duffy joined the meeting at 7.00pm.

(b) Period Poverty

Members considered and discussed this notice of motion and whilst they fully supported it, were worried that it may be abused and also felt it was important for it to be targeted at need. It was suggested the motion be amended to include a reference to working with secondary schools and youth groups. It was then **RESOLVED PTC to make available FREE sanitary products in the Pavilion as part of a drive to tackle 'period poverty'. For this to be reviewed within 3 months with the aim to apply to all PTC public buildings and facilities and at the same time PTC encourage schools, local youth groups etc to take part in this initiative.**

49. Fishing at Shotton Hall Lake

The Chair advised she had been approached by a local fishing group about using the lake to fish. **RESOLVED the report prepared in November 2017 on this item be re considered at a future meeting.**

Mr I Morris  
Peterlee Town Council  
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25 September 2018

Dear Mr Morris

**Completion of the audit for the year ended 31 March 2018**

We have completed our audit for the year ended 31 March 2018 and I have pleasure in enclosing the certified Annual Governance and Accountability Return. The External Auditor's Certificate and Report is given in Section 3.

If there are any significant matters arising from the audit, they are summarised in the External Auditor's certificate in Section 3. If we have identified minor scope for improvement we have recorded this on page 2 of this letter. The Council must consider these matters and decide what action is required. In most cases this will be self-evident. In some instances we have referred to further guidance available, in particular, in the publication "*Governance and Accountability for Local Councils – A Practitioners' Guide (England) 2010*". This can be obtained via your NALC or SLCC branch, or downloaded free of charge.

***Action you are required to take***

The Accounts and Audit (England) Regulations 2015 set out what you must do at the conclusion of the audit. In summary, you are required to:

Publish (which must include publication on the authority's website) a statement:

- that the audit has been concluded and that the statement of accounts has been published;
- of the rights of inspection conferred on local government electors by section 25 of the Local Audit and Accountability Act 2014; and
- the address at which, and the hours during which, those rights may be exercised.
- Keep copies of the Annual Governance and Accountability Return for purchase by any person on payment of a reasonable sum.
- Ensure that the Annual Governance and Accountability Return remains available for public access for a period of not less than five years beginning with the date on which the Annual Governance and Accountability Return was first published.

*The Accounts and Audit (England) Regulations 2015 do not specify the period the signed off accounts need to be on the council's website but this period must be reasonable.*

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We are registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001139861.

VAT number: 839 8366 73

***Minor scope for improvement in 2018/19***

The accounting statement at Section 2 contains the following error, which was not corrected because the value was immaterial:

- There was a £50 transposition error of the 16/17 staff costs figure.

In future, the Council should ensure that the Annual Governance and Accountability Return is accurate and complete.

***Audit fee***

We enclose our fee note for the audit, which is in accordance with the audit fee scales set by SAAA, and available at <http://www.localaudits.co.uk/fees.html>

We would be grateful if you could arrange for this to be paid at the earliest opportunity.

Yours sincerely



**Cameron Waddell**  
Partner

## Section 3 – External Auditor Report and Certificate 2017/18

In respect of Peterlee Town Council

### 1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

### 2 External auditor report 2017/18

Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The Accounts and Audit (England) Regulations 2015 require that the period of public rights covers 30 working days including the first 10 working days of July. In 2017 this requirement was not met but the Council has answered yes to the assertion on public rights in the Annual Governance Statement. In future the Council needs to put in place arrangements to ensure that it can meet its statutory obligations in respect of public rights and answers no in the Annual Governance Statement where this has not been achieved.

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

We were required to return the Annual Governance and Accountability Return to enable the Council to correct the following:

- Fixed assets at Box 9 was initially incorrect due to an input error on the electronic AGAR.

In future the Council should ensure that the Annual Governance and Accountability Return is accurate and complete.

(continue on a separate sheet if required)

### 3 External auditor certificate 2017/18

We certify/~~do not certify~~ that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2018.

\*We do not certify completion because:

Not applicable

External Auditor Name

Mazars LLP, Durham, DH1 5TS

External Auditor Signature *Mazars LLP*

Date 25 September 2018

\*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website ([www.nao.org.uk](http://www.nao.org.uk))

## **Item 9 – Peterlee Town Council Assets & Investment Policy**

**Report to:** Peterlee Town Council

**Date:** 22<sup>nd</sup> October 2018

**Report of:** Ian Morris, Town Clerk

**Report Title:** Peterlee Town Council Assets & Investment Policy

**Purpose:** This report is intended to provide members with the final version of the new Assets & Investment Policy for the Town Council. The draft policy was reviewed by Resources Committee on 1<sup>st</sup> October 2018 and a number of amendments made following feedback from the Committee.

**Background:** One of the recommendations arising from the 2017 Core Financials internal audit report was the development and adoption of an Assets & Investment Policy. Following extensive research by the Town Clerk the attached draft policy has been developed to address this requirement. Once approved, the adopted policy will be reviewed annually by the Resources Committee. Compliance with the adopted policy will form part of the Council's annual Core Financials internal audit.

**Policy:** The policy has two main elements. The first section sets out how the Town Council will treat its fixed assets (buildings, plant, machinery, etc) and the second section sets out how the council will treat its cash investments. The policy is written to take into account the various statutory and non-statutory guidance available to the Council, including:

- Governance and Accountability for Local councils: A Practitioner's Guide (England) 2017
- Section 15(1) of the Local Government Act 2013
- Community and Local Government (CLG) Investments Guidance Note (3<sup>rd</sup> edn)

**Recommendation:** Members are recommended to note the content of this report and approve the attached policy.



## **Appendix 1: Implications**

**Finance** – The draft policy sets out how the council will treat its fixed and cash assets. There is no direct financial cost to the policy itself.

**Staffing** - No direct implications.

**Risk** – The development of the Asset & Investment Policy is intended to mitigate various risks associated with the Council's fixed and cash assets, as well as mitigating risks identified in the Core Financials critical risk assessment.

**Equality and Diversity / Public Sector Equality Duty** No direct implications.

**Accommodation** - No direct implications.

**Crime and Disorder** - No direct implications.

**Human Rights** - No direct implications.

**Consultation** - No direct implications.

**Procurement** – The procurement process outlined in the draft policy are in line with the Council's Financial Regulations

**Disability Issues** - No direct implications.

**Legal Implications** - No direct implications.

**Data Protection** - No direct implications.

## **Appendix 2: Draft Assets & Investment Policy**



# PTC ASSET & INVESTMENT POLICY

Adopted October 2018

## ABOUT THIS POLICY

This Asset & Investment Policy sets out the Town Council's approach to dealing with fixed assets and cash investment. It compliments the Council's Standing Orders and Financial Regulations.

**Ian Morris**

Chief Officer & Responsible Financial Officer

## Introduction

1. Peterlee Town Council acknowledges the importance of managing its tangible and intangible assets well and for the benefit of the local community. Two important elements of this management approach are the treatment of fixed assets and cash investments by the Town Council. This policy sets out the Council's approach to managing fixed assets and investments in line with national guidance and advice from the Council's internal auditors.

## Fixed Assets Policy

2. Local Councils are required to maintain an asset register to ensure fixed assets are appropriately safeguarded. This includes items of a capital nature where values tend to be high and which have a useful life of more than one year. The following items are included in the Council's asset register, whether purchased, gifted or otherwise acquired, together with their holding location:
  - Land and buildings held freehold or on long term lease in the name of the Council
  - Community assets
  - Assets considered to be portable, attractive or of community significance
3. The values indicated in the asset register will inform the 'Total Fixed Asset' section of the Council's Annual Return.
4. The following items fall outside the definition for inclusion and are therefore excluded from the Council's asset register:
  - Assets rented or loaned to the Council
  - Assets owned by charitable trusts where the Council is the trustee
  - Items held for resale, i.e. stock
  - Consumable items or items with a useful life of less than a year
  - Cash and short term investments
  - Intangible assets
5. In accordance with good practice, the Council has set a de minimus level of £1,000 below which expenditure will not generally be capitalised. All capital expenditure on assets above the de minimus level will be deemed capital expenditure and added to the fixed asset register.
6. An annual inspection of the fixed asset register will be conducted by the Town Clerk/RFO or other senior managers of the Council to ensure that all items can be physically verified. Discrepancies between the physical verification process and the register will be investigated promptly by the Town Clerk/RFO. Any assets which cannot be located after investigation will be removed from the asset register and recorded in the schedule of disposals. Any new assets identified will be added to the register. Any such amendments to the Asset Register will be reported to the Council's Resources Committee at the next available meeting.
7. The asset register and schedule of disposals will be reviewed annually by the Resources Committee prior to approval by Council as part of the annual financial processes.

8. Once recorded on the fixed asset register, the value of assets will not change from year to year until disposal. Concepts of depreciation and impairment adjustment are not appropriate for Local Councils (Governance and Accountability for Local councils: A Practitioner's Guide (England) March 2018).
9. Assets will be valued by one of the following means based on available information:
  - Actual purchase price (where known)
  - Proxy (estimated purchase price) value, where actual purchase price is not known
  - Nominal value of £1. This should be used for assets gifted or transferred to the Council
10. The fixed asset register will be used to inform the insurers of Council assets. For the purposes of insurance, the value to be used is the replacement value of the item, not the purchase price or market value.
11. The Council should ensure assets are valued accurately for insurance purposes to avoid under (or over) insuring. Assets should therefore be valued every five years to ensure the appropriate level of insurance is held.

## Investment Policy

12. Peterlee Town Council acknowledges the importance of prudently investing any temporary surplus funds held on behalf of the community. In preparing an investment strategy the council is required under Section 15(1) of the Local Government Act 2013 to have regard to such Guidance as the Secretary of State may issue. The current statutory Community and Local Government (CLG) Investments Guidance Note (3<sup>rd</sup> edn)<sup>1</sup> came into force of the 1st April 2018 and has been used in the preparation of this policy.
13. The Guidance Note makes the distinction between investments that are: a) high security and high liquidity (specified investments); and, b) those with potentially greater risks and lower liquidity (non-specified investments). The guidance note also requires the Council to prioritise investments in the following order of importance:
  - Security – protecting the sum investment from loss;
  - Liquidity – ensuring that the sums invested are available for expenditure when; and
  - Yield – the generation of revenues from the investment.
14. A 'specified investment' is one which is made in sterling, is not long term (less than 12 months), not defined as capital expenditure and is placed with a body which has a high credit rating or made with the UK Government, a UK Local Authority or a Parish or Community Council. Any other type of investment is considered 'Non-Specified Investment' to which there can be greater risk and where professional investment advice might be sought.

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1

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/678866/Guidance\\_on\\_local\\_government\\_investments.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678866/Guidance_on_local_government_investments.pdf)

## Investment Objectives

15. Peterlee Town Council's priorities will be on the security of reserves (protecting the capital sum from loss) and then the liquidity of its investments (keeping cash readily available for expenditure when needed).
16. All investments will be made in Sterling.
17. The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and Peterlee Town Council will not engage in such activity.
18. If external investment managers are used, they will be contractually required to comply with this policy.

## Specified Investments

19. Specified Investments are, by definition in the Guidance Notes, those offering high security and high liquidity, made in sterling and with a maturity date no longer than a year. Such short-term investments made with the UK Government or a Local Authority to Town/Parish Councils will automatically be Specified Investments, as will those with bodies or investment schemes of 'high credit quality'.
20. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use deposits with UK banks, UK building societies, UK local authorities or other UK public authorities. Peterlee Town Council will initially hold investments and its day-to-day banking with The Cooperative Bank Plc.

## Non-Specified Investments

21. These investments have greater potential risk – examples include investment in the money market, permanent interest bearing shares from building societies and corporate stocks and shares. Given the unpredictability and uncertainties surrounding such investments, the Council will only use this type of investment following a suitability and risk assessment and with the express agreement of full Council.

## Liquidity of Investments

22. Subject to retaining no less than three months' average working capital requirement in the current and deposit facilities giving immediate access, the Town Clerk, as the Council's Responsible Financial Officer, will determine the amounts and maximum period for which funds may be prudently invested, in accordance with paragraph 3 and 10 above, so as not to compromise liquidity. Any material changes to current and deposit facility investments will be reported to Resources Committee at the next available meeting.
23. All delegations are subject to the safeguard arrangements in place within the Council's Financial Regulations, including payment signatory authorisations, reconciliations and reporting to Council, as appropriate.

## Long Term Investments

24. Long term investments are defined in the Guidance Notes as greater than 12 months and require that, should any Council wish to invest for periods greater than 12 months, it must identify procedures for monitoring, assessing and mitigating the risk of loss of invested sums.
25. The Town Council does not currently hold any funds in long-term investments, however the Council will continue to assess the potential for long term investment of funds provided that such investment does not contradict the requirements of this investment policy.

## End of Year report

26. Investment forecasts for the coming financial year will be included in the Council's annual budget setting process. Following the end of the financial year, the Town Clerk will report on investment activity to the Resources Committee or full Council as required.
27. The Investment Policy will be reviewed annually by the Resources Committee, and any amendments will be approved by full Council prior to adoption.
28. Council will be able to amend or make variations to the Strategy at any time.

## Freedom of information

29. In accordance with the Freedom of Information Act 2000 this document will be posted on the Council's website under the Policies section.

## Item 10: Review of the Town Council's Approach to Risk and Risk Register

**Report to:** Peterlee Town Council

**Date:** 22<sup>nd</sup> October 2018

**Subject:** Review of the Town Council's approach to risk and Risk Register

**Report of:** Ian Morris, Town Clerk

**Purpose:** This report is intended to provide Members with an overview of the Council's approach to managing risk, outline the key internal risk controls, and to carry out the annual review of the Council's Risk Register as required by regulation.

**Introduction:** The document 'Governance and Accountability for Smaller Authorities in England: A Practitioner's Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements' (March 2018)<sup>1</sup> defines risk and risk management thus:

*"Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority's objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority's corporate governance arrangements and its ability to deliver its priorities.*

*Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The authority generally and members individually are responsible for risk management."*<sup>2</sup>

In the Annual Governance Statement (AGS) that the Council submits each year as part of its annual financial returns, the Council is required to make an assertion about Risk Management as follows:

### **Assertion 5: Risk Management**

**We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.**

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<sup>1</sup> see: <https://www.nalc.gov.uk/library/publications/2655-governance-and-accountability-for-smaller-authorities-in-england-2018-sections-1-5/file>

<sup>2</sup> Governance and Accountability for Smaller Authorities in England )March 2018), ss5.87-5.88



This report is intended to provide information to Members about the current assessment of risks facing the authority and the controls that are in place to manage those risks.

The Town Council identifies, records, controls and manages risk through multiple activities that include:

What we do	What this does
Maintaining and reviewing a Strategic Risk Register	Identifies the key risks facing the council and the controls in place to mitigate those risks
Providing Strategic Risk Management training for managers of council services	Makes sure that our Managers have an up to date appreciation of risk and risk management
Deploying an annual internal audit programme that is predicated on risk and risk controls	Adds two layers of risk control: the first layer being that the annual internal audit programme is planned on key risk areas; the second layer is that each individual internal audit goes through a 'Control Risk Assessment (CRA) process that is based on detailed risk assessment of each service activity/process being audited.
Including identification of risk in all key decisions including budget setting.	Ensures that Officers and Members take account of risk when making key decisions about the council's resources and services.
Basing our Insurance arrangements of key risk areas to the Council	Ensures that the Council adequate insurance cover for the financial impact of key risks as well as access to specialist risk advice, for instance Risk Engineering assessments of Shotton Hall.
Outsourcing specialist advice on specific risk areas: DCC (Health & Safety; Internal Audit & Risk); Zurich (Risk Engineering); Hutton Fire (Building specific fire risk assessments & plans)	Provides access to specialist H&S advice and support from trained professionals for service managers. Can also be utilised for specific risk controls eg advising on risk approach to opening up of parks & play areas or fire plans for our main buildings

**Risk Register:** A copy of the Council's Corporate Risk Register is attached as Appendix 2 to this report.

The risk register was initially developed in conjunction with a risk specialist from the Council's insurers in 2015. The Town Council's SMT has reviewed the risk matrix and recommends that Members take this opportunity to review and adopt the matrix in the form presented here.

The risk assessment will be reviewed by SMT on a regular basis and any significant deviations will be reported to Council and/or Resources Committee.

**Audit:** Members may recall from past presentations by the DCC Internal Audit Manager that the internal audit process is predicated on the identification, control and monitoring of risk.

The annual audit plan is based on identified risk areas for Council in terms of finance, governance and service delivery. A summary copy of the Town Council's internal audit plan for 2018/19 is provided in appendix 3 to this report.

Each separate Internal Audit is then subject to a separate detailed Critical Risk Assessment (CRA) which looks at specific risks to the service area and suitable evidenced controls. An example of a CRA is attached as appendix 4 to this report.

**Training:** In September 2018 a Senior Risk Consultant delivered a bespoke buildings risk, health, safety and liability training session for a group of the Council's Managers and facilities-based staff. The session incorporated a reminder of the legal context for buildings, claims defence, investigation and management, and identification of specific risks. The interactive session included tools and techniques for dealing with operational risk.

**Outsourcing:** The Town Council is a relatively small public sector organisation and does not have the resources to directly employ qualified risk specialists. Instead the Council has taken a pragmatic approach and established formal SLAs/contracts with specialist providers to advise the council on specific risk areas. Current SLA/contracts in place include:

Organisation	Services
Durham County Council	Internal Audit & Risk Health & Safety Human Resources Corporate Procurement
Zurich Municipal	Insurance, including insurance-related risk engineering
Hutton Fire	Building-specific fire risk assessments and fire plans

**Insurance:** The Town Council reviewed and renewed its insurance arrangements with one of the largest local authority insurance providers in March 2018. Current insurance cover includes:

- Public Indemnity
- Pollution/products Indemnity
- Employers' Liability
- Motor Insurance
- Business travel insurance
- Local Council insurance (includes: material damage; business interruption; play equipment; civic regalia; CCTV; lighting; hired plant; IT equipment; furniture; cash on premise; fidelity guarantee; libel and slander; legal expenses and uninsured loss recovery)

**Conclusion:** Regulations require that the Town Council adopt, deliver and review a system of internal controls for the identification and control of risk. This report has provided a summary of some of the different ways that the Council meets the requirement, from a high-level corporate register of key risks and controls, through to detailed investigation of risk controls right across the Council's administrative and service delivery functions at the internal audit level.

The Council continues to bring in external support to enable it to control and mitigate risk, including formal SLAs in a number of specialist areas and through comprehensive insurance provision.

The Council also routinely reviews and amends its key governance documentation including Standing Orders, Financial Regulations, Code of Conduct (for Officers and Members), Scheme of Delegation and a wide range of operational policies and procedures.

**Recommendation:** Members are recommended to note the contents of this report and to review and approve the Council's corporate risk matrix (as provided in appendix 2 to this report).

## APPENDIX 1: IMPLICATIONS

Finance – none

Staffing – none

Risk – This report sets out the Town Council’s approach to identifying and managing risk

Equality and Diversity, Cohesion and Integration – none

Crime and Disorder – none

Consultation & Communication – none

Procurement – none

Legal – none

Data Protection - none

**APPENDIX 2: RISK MATRIX**

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
1	Corporate Strategy	The Council fails to develop, implement and monitor a suitable Corporate Strategy.	Lack of focus, no clear sense of direction; Priorities not defined/understood; Prevents effective business planning; Inappropriate resource allocation; Wasted resource; No measure of success; Poor public perception	There is no Corporate Plan in place.	3	4	12	Members have agreed that the Council will develop a new Corporate Strategy during 2018/19, following the staffing restructure.	Mar-19	1	4	4	IM
2	Successful Events	The Council fails to employ a suitable number of experienced and competent staff to deliver successful events; Events are held at short notice with allowing sufficient time to suitably plan and resource the event; The Council are unaware of or have insufficient resource to monitor and review "third party" events taking place on Council land.	Poorly organised events that fail to attract visitors; Financial impact - loss of income; cost overruns; Accident or injuries; Negative publicity - seen as wasting public money; Unsuitable events take place on council land	The Council previously employed an events coordinator, and has bolstered this with a new SMT role with specific responsibility for Town events. An Events sub committee was also established to increase members involvement. Controls include health and safety, risk assessment, appointment of competent contractors, Safety Advisory Group membership. Etc The 2017 internal audit of events	1	3	3	n/a				0	Jhugill

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
				returned a 'substantial assurance' report, and the one significant recommendation arising has been completed.									
3	Sports funding	The Council fails to respond to reductions in Sports funding due to government and governing body cuts.	Opportunities to identify additional funding streams missed; Continue to try and deliver the same service with less financial resource - resulting in reduction in quality of existing service; Increased pressure on staff; Lack of focus - "trying to achieve everything"	The Sports Development Officer and Town Clerk have fortnightly 1:1s that include reviewing current and potential future sports funding opportunities. In 2016/7 the department has exceeded budget targets for attracting funding. New funding opportunities are routinely identified.	1	3	3	Continuing work by the SDO to identify new opportunities for sustainable sports funding in line with agreed priorities.	ongoing	1	3	3	SP
4	Asset Management	The Council fails to develop a suitable asset management strategy;	Poor asset condition; Inappropriate and/or wasteful investment; Inappropriate decisions on asset sales leading to loss of revenue; Negative community impact; Reputation damage;	The Council does not have an asset management strategy in place	4	4	25	An asset & investment strategy is being presented to Council in October 2018	Oct-19	2	3	6	IM

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
5	Workforce	The Council fails to effectively manage the ageing workforce profile; The Council fails to effectively manage key person dependencies; The Council fails to implement suitable workforce development programmes;	Loss of valuable knowledge, skills and experience; Negative impact on employee health and wellbeing; Increased sickness absence; Reduced morale; Reduced productivity; Increased staff turnover; Unable to attract new staff	All staff receive basic training including food safety (for relevant staff), COSHH, fire, and manual handling. All staff have also received absence management and code of conduct training. Regular Team meetings are in place across the council structure. Significant progress has been made on reviewing and adopting a range of new policies including absence management, no smoking, mental health and wellbeing, code of conduct, etc. The 2018 restructure has help to reshape the staffing structure and a number of new staff have started with the Council	2	3	6	The introduction of a formal Appraisal and Personal Development process in late 2018 will help to ensure that all staff are clear on their roles, priorities, and expected standards of behaviour. Every members of staff will also have a personal development plan to identify support and development needs to achieve their expected priorities and standards of behaviour.	Dec-18	1	3	3	IM & SMT

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
6	Partnership Working	The Council fails to fully embrace and develop partnership working; The Council fails to manage risks associated with partnership working	Missed opportunities; Misalignment of objectives and outcomes - Council v Partner - conflict of interest; Drain on Council resources - time and effort in building partnerships; Additional costs arise through lack of implementation planning; Negative reputation impact - failure of partner = failure of Council	Opportunities for partnership working are routinely discussed at the Council's SMT meetings and in Management 1:1s. The Council also scrutinises formal proposals for partnership working, eg a new arrangement to work with CAB East Durham in 2016/17 with additional funding and a clear SLA; new partnership with Skill Mill Durham for environmental improvements; 'The Project' youth engagement scheme, etc	2	3	6	n/a		0	0	0	IM & SMT
7	Sports and Play	The Council fails to develop and implement a suitable Sports and Play Strategy;	Lack of clear direction and focus and priorities not identified; Misdirected resources; Additional funding opportunities missed; Sports/Play provision fails to meet the needs or expectations of the community; Under used sports and play facilities; Sports and play environments deteriorate	The Council has set aside reserves to fund significant investment in play areas, but does not have a clear sports and play strategy in place	3	3	9	The Council has formed a Play Area Working Party to lead on this work and a report for Council on recommendations for investment is expected before the end of the financial year.	Jan-19	1	3	3	IM, IH

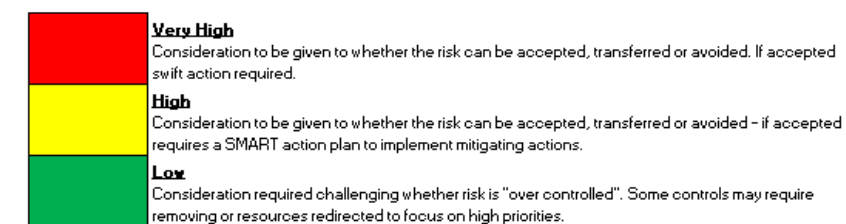
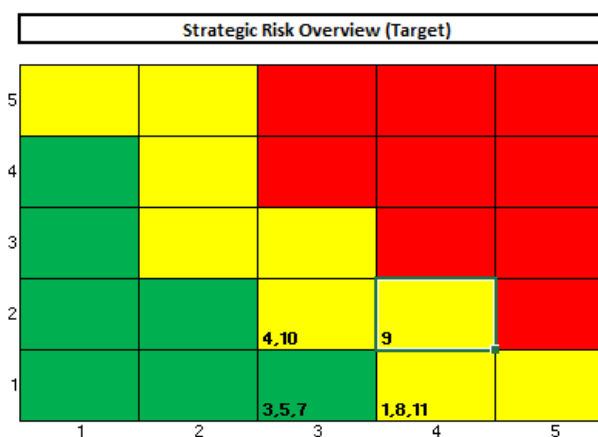
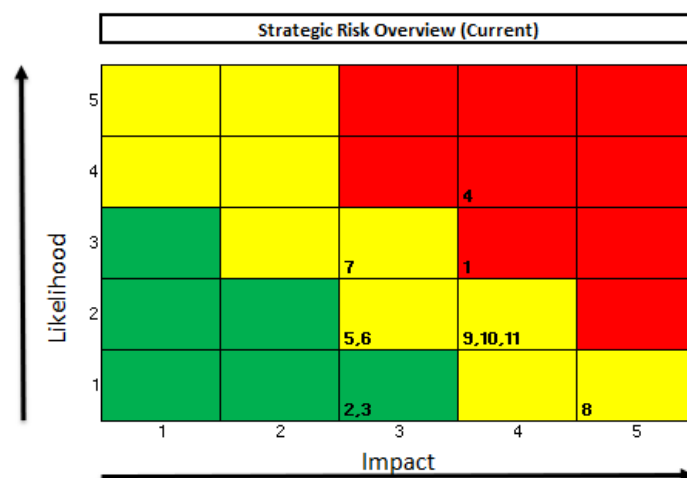


REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
8	Financial Management	The Council fails to implement robust financial management and control of budgets; The Council sets budgets based on historical data and anticipated spend but with little room for unforeseen changes	Poor use of finances; Budget over/under spend; Service provision reduced; Increased Council Precept; Reliance on income investment to balance budget	The Council has reviewed its Standing Orders, Financial Regulations and Scheme of Delegation twice in the last 18 months in consultation with Internal Audit and DCC Corporate Procurement. T In Addition Internal Audit review of Financial Controls has resulted in a number of significant improvements to internal processes including contrl of debit card, cash collection, and various areas of record keeping and these have been implemented, resulting in an improvement from 'limited' to 'moderate' assurance levels, with a further internal audit report expected in November 2018.	1	5	5	Ongoing use of Internal Audit to review key services and systems, with regular updates on progress reported to Council. SMT to continue to monitor budget expenditure on 1/4ly basis, with exception reports to Council/Resources Committee as appropriate.	Mar-19	1	4	4	IM

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
9	Legal Challenge	A governance review of the Town Council is undertaken (by the County Council) in response to a petition from the local community or on the County's own initiative.	Additional time spent by officers responding to review Uncertainty for staff Additional cost to implement recommendations Merger with other Town Council	The Town Clerk and SMT work to ensure that all decisions that go in front of the Council and its committees are lawful and appropriate.	2	4	8	n/a		2	4	8	IM
10	Commerciality	The Council fails to actively promote its services and facilities with the local Community.  The Council fails to actively identify potential/additional income streams and/or fails to maximise revenue generation.	Community fails to recognise the benefits/support provided by the Town Council Services/facilities not used Missed opportunities to generate additional income Over reliance on public funding (precept)	Since the demise of our Catering partner in December 2017 the Shotton Hall wedding & banquetting service has been ran entirely in-house; additional resources have been put into promotions and marketing; The facililites team have began working with an agent to establish a programme of evets/tribute nights etc for the 2018 christmas season; the new manager at The Pavilion has began work on reviewing the business plan for the centre	2	4	8	The concession for Shotton Hall went out the market for initial market testing in September 2018 and it is expected that Council will be provided with the initial findings in November 2018. Council will then be presented with an option appraisal for the future of shotton hall before the end of the financial year.	Mar-19	2	3	6	IM

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
11	Health and Safety	The Council fails to ensure an effective safety management system .	Accident or Injuries Lost time following accidents Increased costs - investigation costs, fines, compensation claims. Enforcement action	Health and Safety and other forms of risk assessments in place for main council functions; Health and Safety committee in place to review H&S incidents/issues; Insurance contract reviewed in 2016/17 included review of key risks and exposure.	2	4	8	Building and Access risk assessments are currently being reviewed for all Council-owned buildings (October 2018); Standard Operating Procedures being reviewed for Shotton Hall and Pavilion (October 2018)	Mar-19	1	4	4	IM & SMT

#### Risk Summary:



### **APPENDIX 3 : PTC INTERNAL AUDIT PLAN 2016 - 2019**

	<b>INTERNAL AUDIT SERVICES</b>	<b>Yr 1</b>	<b>Yr 2</b>	<b>Yr 3</b>
	<b>STRATEGIC AUDIT PLAN</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>Corporate Governance Risks</b>			
	Corporate Governance Arrangements	X	X	X
	Risk Management Arrangements	X	X	X
	<b>Financial Management</b>			
	Key Financial Systems e.g. Accounts Payable, Accounts Receivable, Payroll, Income Collection and Banking, Main Accounting and Budgetary Control.	X	X	X
	Pavilion	X		X
	Parks General (including lettings)	X		X
	Bar and Catering (Shotton Hall only)		X	
	Capital		X	
	Activities and Events		X	
	Allotments Allotments Follow Up	X	X	
	Cemetery			X
	<b>Management</b>			
	Service Support	X	X	X

#### APPENDIX 4: EXAMPLE CONTROL RISK ASSESSMENT FOR INTERNAL AUDIT

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
<b>INCOME AND DEBTORS</b>													
01	1,4	Income is not accounted for/misappropriated.	Financial Management	Loss of monies.	Major	Possible	Medium	There is a list of charges to cover all services provided that has been formally agreed and is regularly reviewed.	Y				
			IT	Fraud/theft.				Debtor accounts are raised promptly following the receipt of an authorised request, are in accordance with agreed charges and are supported by the relevant paperwork.	Y				
			Fraud and Corruption	Reputational damage.				There is a debt recovery process in place for unpaid accounts and this is adhered to.	Y				
				Non compliance with Financial policies and procedures.				Uncollectable debts are written off in accordance with procedures and are appropriately authorised.	Y				
								All income received is appropriately recorded inc cash and cheques by post and in person, dr/cr cards etc	Y				
								Income is securely held prior to banking.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Income is banked in a timely manner.	Y				
								There are secure banking arrangements in place.	Y				
								Income is appropriately reconciled to GL and bank account.	Y				
<b>ORDERING AND PAYMENTS</b>													
02	2,4	Unauthorised orders and payments are made.	Financial Management  IT  Fraud and Corruption	Overspent budgets.  Inappropriate spend.  Fraud/theft.  Poor VFM.  Loss of monies.		Major	Possible	Medium	Orders are authorised by the budget holder prior to being raised	Y			
								Delivery notes are held on file for all goods received.	Y				
								Creditor invoices are matched to purchase orders, to delivery notes, and are appropriately authorised prior to being paid.	Y				
								All orders are made in line with contract procedure rules and financial thresholds.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								A record is held detailing all petty cash spend.	Y				
								<p>The payment card is held in the safe when not in use and a control record is maintained for the issuing of the card to the employee.</p> <p>Access to the safe is restricted to authorised personnel.</p> <p>Appropriate maximum spending limits have been pre-set on each card for</p> <p>a) each transaction</p> <p>b) each billing cycle</p> <p>Receipts are presented for each transaction and reconciled to the monthly statement.</p>	Y				
								A record of all floats is maintained, balances are checked, and monitored for correct use and appropriateness.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
<b>PAYROLL</b>													
03	3,4	Staff are unaware of the payroll procedures to follow.	Performance management	Loss of staff motivation.	Major	Possible	Medium	The organisation's financial regulations/rules define payroll responsibilities.	Y				
			Financial management	Inconsistencies in treatment.				The organisation has established written payroll procedures for all areas of operation.	Y				
			People	Confusion over duties and responsibilities.				Payroll procedures ensure that payments are not made unless specified employee information has been provided.	Y				
			IT	Employees under- or overpaid.				Payments in respect of mileage are only made to staff insured for business use, upon receipt of a suitably detailed and authorised claim, supported by receipts.	Y				
				Reputational damage				Travel, subsistence, and civic expenses claim are made on appropriate documentation, supported by receipts and appropriately authorised before payment.	Y				
								Payroll procedures have been communicated to all staff.	Y				



Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Staff are aware of, and appropriately trained in Data Protection Act (DPA), equalities and diversity, health and safety, the DCC officers code of conduct, declarations of interest, dealing with complaints, whistle blowing arrangements, etc.	Y				
								Procedures are reviewed on a regular basis to confirm they are up to date.	Y				
04	3,4	Payroll payments are not in accordance with the authorised establishment	Financial management  Fraud & Corruption	Fraudulent payments are made.  Incorrect and unauthorised payments  Reputation Damage	Major	Possible	Medium	The organisation's establishment is authorised by the managing body.	Y				
								Procedures ensure that data is only processed where authorised posts exist.	Y				
								Post gradings are controlled independently of payroll.	Y				
								All data changes are approved by an authorised signatory.	Y				
								Exception reports are regularly produced and independently examined.	Y				
								Payments made against permanent adjustment codes periodically reviewed.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
05	3,4	Payroll transactions are not initiated and recorded promptly	Performance management	Employees receive late payments	Major	Possible	Major	Timetables have been established for the payroll process and are adhered to.	Y				
			Financial management	Leavers continue to be paid.				All staff have been made aware of deadline dates.	Y				
			Fraud & corruption	New employees are not paid.				All documentation received is input onto the payroll system in a timely manner.	N				DCC Payroll Audit 2015/16
				Reputational damage				Checklists have been developed covering all required tasks that need to be carried out and are utilised by all staff	N				DCC Payroll Audit 2015/16
06	3,4	Payroll payments are incorrectly calculated	Performance management	Over or underpayments occur.	Major	Possible	Medium	All salary payments correspond to authorised documentation received from Peterlee Personnel.	Y				
			Financial management	Loss of monies.				Where employees start/leave during the month, appropriate pay calculations have been undertaken.	Y				
			Fraud & corruption	Fraudulent payments are made.				Authorised documentation is on file for all non-statutory deductions to pay.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
			IT	Reputation Damage				Controls are in place to ensure that any requests for additional payments/variations to pay are only actioned if they are on official forms and have been properly authorised.	Y				
								All leavers forms are promptly received and actioned, including all additional payments in lieu/deductions from pay.	Y				
								Appropriate manual checks are carried out when calculating maternity/paternity pay to ensure that any outstanding enhancements (relating to the previous month) are paid when due.	Y				
								Checks and reconciliations are undertaken to ensure the validity of the system and data.	Y				
								All amendments to standing data (e.g. Pay Awards/Tax/NI/Increments) are input by one officer and checked by a second independent officer. Notification passed to DCC for input	Y				
07	3,4	Payroll payments are not made	Staff do not receive payment	Employees receive late payments	Major	Possible	Medium	Submission of BACS files verified by an independent employee.  The production of cheque runs are checked by an independent officer.	Y				
				Reputational damage				Timesheets are batched and entered promptly.	N				DCC Payroll Audit 2015/16

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Appropriate contingency arrangements are in place in the event of a system failure.	Y				
08	3,4	Inadequate financial management within the service	Performance management	Budget overspent leading to inadequate performance within the service.	Major	Possible	Medium	The payroll budget is allocated to a nominated budget holder.	Y				
			Financial management	Impact on service provision.				The Payroll system is reconciled to the financial management system and bank account to ensure that all payment details have been correctly transferred to the general ledger	Y				
								The payroll suspense account is regularly reviewed and cleared.	N/A				DCC Payroll Audit 2015/16
								Data exported from the Payroll system cannot be amended prior to upload into the GL	N/A				DCC Payroll Audit 2015/16
09	3,4	The organisation does not comply with HMRC, Department for Work and Pensions and superannuation scheme requirements.	Legislation	Fines incurred for non-compliance with legislation and regulations.	Critical	Possible	High	Tax parameters have been correctly input into the payroll system.	N				DCC Payroll Audit 2015/16
				Statutory deductions made incorrectly.				Correct tax/pay periods are used.	Y				
								Sufficient information is received to ensure that appropriate tax /NIC legislation is applied to the complex areas of payments, for example termination payments	N				DCC Payroll Audit 2015/16
				Deductions not paid over to relevant				Appropriate systems are in place to identify any self-employed contractors, contractors paid off payroll, appointees, personal service companies.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
				<p>organisations on time.</p> <p>Confusion over superannuation fund membership.</p> <p>Reputation Damage</p>				<p>A timetable has been developed to document key dates of submission of information to HMRC, including end of year information, and providing information to employees and this is adhered to.</p> <p>Accurate payments of PAYE are made to HMRC by the due date.</p> <p>P35 (Year end) totals are balanced to payments made to HMRC</p> <p>EAS and FPS information is sent to HMRC for each pay run using EDI and confirmation of submission is received.</p>	Y				
<b>BUDGETARY CONTROL</b>													
10	4	Budgets are not allocated in accordance with the priorities of the council.	<p>Financial Management</p> <p>Performance Management</p>	<p>Stakeholder expectations are not met.</p> <p>Resources are not allocated in accordance with stakeholder expectations.</p>	Critical	Possible	High	<p>Financial procedure rules stipulate responsibilities for budget setting and approving of the budget. (Financial Regulations June 2014, Section 4 – Budgetary Control and Authority to Spend)</p> <p>The approved budget is appropriately disaggregated under delegated powers to each service grouping by way of identified cost codes.</p>	Y				
									Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
				Impact on ability to deliver key priorities.				Virements are made only with prior approval in line with corporate policy.	Y				
				Restricted ability to deliver resources.				Adequate reserves are maintained to allow for unexpected expenditure in line with the needs of the council.	Y				
				Link between resources and outputs aren't identified.									
11	4	Budget and actual financial information is inaccurate.	Financial Management	Budget is likely to be overspent.				Timetables are in place to ensure relevant financial information is recorded on the FMS in a timely manner.	Y				
			Performance Management	Committed expenditure is not in line with priorities.				Validation checks on the FMS to ensure correct coding of income/expenditure.	Y				
				Reputational damage.	Major	Possible	Medium	Reconciliation of the approved budget to the budget on FMS to ensure accurate entry.	Y				
								Access to amend budget information is restricted to authorised officers.	Y				
								Regular budget monitoring meetings with responsible budget holders.					
12	4	Budget performance is not monitored.	Financial Management	Budget is likely to be overspent.	Major	Possible	Medium	Budgets are broken down to an appropriate level to allow adequate monitoring to take place.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
			Performance Management	Committed expenditure is not in line with priorities.				Disaggregated budgets are assigned to individual budget holders in line with the management structure.	Y				
								Budget targets are communicated to budget holders.	Y				
				Restricted ability to transfer resources between activities				Staff have the necessary skills and support to undertake budget monitoring responsibilities on a monthly basis.	Y				
								Consistent budget information is provided to all budget holders on a monthly basis to allow effective monitoring to take place.	Y				
				Reputational damage.				Appropriate action taken to remedy adverse variances.	Y				
								The financial position and any financial issues are regularly reported to council.	Y				
								The short and long term financial position and financial issues are regularly reported to council.	Y				
<b>ASSET REGISTER</b>													
13	5	Asset and Investment registers are inaccurate.	Financial Management  Performance Management	Qualification of final accounts	Critical	Possible	High	An Asset and Investment policy is in place and includes the treatment of acquisitions, disposals, and depreciation, and complies with the Cipfa code of practice.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								The asset and investments registers are reviewed on a periodic basis for completeness and accuracy.	Y				
								Acquisitions and disposals are reported to finance to ensure that they are appropriately recorded in the register.	Y				
								The asset register is updated with capital/fixed asset expenditure where appropriate.	Y				
								Appropriate documentation to support ownership, value, terms etc is retained for assets and investments where necessary.	Y				