**FINDERN PARISH COUNCIL**

**FINANCIAL RISK ASSESSMENT POLICY**

**Part 1**

**Risk identification, areas where there may be scope to use insurance to help manage risk:**

1. The protection of physical assets owned by the Council – buildings, furniture, equipment etc (loss or damaged)
2. 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)
3. 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)
4. Loss of cash through theft or dishonesty (fidelity guarantee)
5. Legal liability as a consequence of asset ownership (public liability)

**Internal controls taken**

6. An up to date register of assets is kept
7. Regular maintenance arrangements for physical assets are in place and ongoing
8. Annual review of risk and the adequacy of cover, insurance cover checked annually by the Council
9. Ensuring the robustness of insurance providers every 3 years
10. Regular risk assessment carried out on play equipment by Findern Parish Council grounds staff
11. Appointment of Internal Auditor. Monthly checks of invoices against cheques and salaries/PAYE at each council meeting. For internet banking cross check amounts on schedule of payments on the Agenda of Council meeting with the amounts entered for payment online. The names of two authorising signatories to be recorded on Minutes of meeting.
12. All annual checks carried out, ie Fire Safety checks and emergency lighting checks annually
13. (This item is relevant to point 3) Ensuring that both the clerk and other staff keep proper documentation, procedures noted, all paperwork correctly filed in an adequate filing system, council internal Auditor aware of both clerks and statute and have copies of standing orders and access to latest publications. Regular back up to be taken of the computer every week
14. Fidelity insurance to be taken out and requirements by Zurich Municipal Insurance are complied with and adequate public liability insurance is implemented
15. The council does at all times adhere to ‘best value’ procedures, this does not mean accepting the lowest quote.

**Internal audit assurance**

16. Review of Internal controls in place and their documentation
17. Review of management arrangements regarding insurance cover
18. Testing of specific internal controls and reporting findings to management, carried out by the internal auditor
19. Adoption of financial regulations, which are reviewed annually.

**Part 2**

**Where there may be need to self-manage risk**

20. Keeping proper financial records in accordance with statutory requirements
21. Ensuring all business activities are within legal powers applicable to local councils
22. Ensuring that all requirements are met under Employment law and Inland Revenue regulations
23. Ensuring all requirements are met under Customs and Excise regulations (especially VAT)
24. Ensuring the adequacy of the annual precept within sound budgeting arrangements
25. Ensuring the proper use of funds granted to local community bodies under specific power or under section 137
26. Proper, timely and accurate reporting of council business in the minutes
27. Responding to electors wishing to exercise their rights of inspection
28. Meeting the laid down timetables when responding to consultation invitation
29. Proper document control
30. Register of members' interests and gifts and hospitality in place, complete accurate and up to date

**Internal controls taken**

31. Regular scrutiny of financial records and proper arrangements for the approval of expenditure quarterly
32. Regular return to the inland revenue; contacts of employment for all staff, systems of updating records for any changes in relevant legislation
33. Yearly return of VAT, training of responsible officer in matter of VAT and other taxation issues as necessary
34. Procedure of dealing with and monitoring members' interests and gifts and hospitality received
35. Adoption of codes of conduct for members and notification of confidentiality in all employee contracts
36. The clerk undertaking training to gain national qualification to ensure all council procedures are adhered to and understood
37. Annual subscription to DALC to ensure council awareness of new legislation
38. Annual subscription to SLCC on behalf of the Clerk to ensure the Clerks awareness of new legislation

**Internal audit assurance**

39. Review of internal controls in place and their documentation
40. Review of minutes to ensure legal powers are in place, recorded and correctly applied
41. Testing of income and expenditure from minutes to statements etc
42. Review and testing of arrangements to prevent and detect fraud and corruption
43. Testing of specific internal controls and reporting findings to management