

## **Over Haddon Parish Council**

### **Financial Risk Assessment**

#### **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 damage)
- 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 and investments is kept
- 7 Annual review of risk and the adequacy of cover, insurance cover checked annually
- 8 Ensuring the robustness of insurance providers
- 9 Appointment of an internal auditor, regular checks made by parish councillors. Monthly checks of invoices against cheques and wage book checked at each council meeting.
- 10 (This item is relevant to point 3) Ensuring that both the clerk and administration assistant keep proper documentation, procedures noted, all paperwork correctly filed in an adequate filing system, council's internal audit aware of clerk's duties. All councillors aware of procedures required by statute to be done and have copies of standing orders and access to latest publications. Regular back up taken of the computer every month and also remote storage. (Cloud Drive.)
- 11 Fidelity insurance taken out and requirements by Zurich Insurance are complied with and adequate public liability insurance is implemented.
- 12 The council does, at all times adhere to 'best value' procedures.
- 13 See separate cash procedure 1

#### **Internal audit assurance**

- 14 Review of internal controls in place and their documentation.
- 15 Review of management arrangements regarding insurance cover
- 16 Testing of specific internal controls and reporting findings to management, carried out by the internal auditor
- 17 Adoption of new financial regulations 2015, which are reviewed annually

## Part 2

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

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

### Internal controls taken

- 30 Regular scrutiny of financial records and proper arrangements for the approval of expenditure
- 31 Regular returns to the Inland Revenue; contracts of employment for all staff, systems of updating records for any changes in relevant legislation
- 32 Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary
- 33 Regular budget monitoring statements
- 34 Procedures for dealing with and monitoring grants or loans made or received
- 35 Minutes properly numbered and paginated with a master copy kept in safekeeping
- 36 Procedures in place for recording and monitoring members' interests and gifts and hospitality received
- 37 Adoption of codes of conduct for members and notification of confidentiality in all employee contracts
- 38 The clerk is trained to CiLCA national qualification including Section 7 General Power of Competence 2012 to ensure all council procedures adhered to and understood
- 39 Annual subscription to DALC to ensure council awareness of new legislation

### **Internal audit assurance**

- 40 Review of internal controls in place and their documentation
- 41 Review of minutes to ensure legal powers in place, recorded and correctly applied
- 42 Testing of income and expenditure from minutes to spreadsheets, from bank statements to spreadsheets, from minutes to statements etc. There are no petty cash transactions.
- 43 Review and testing of arrangements to prevent and detect fraud and corruption
- 44 Testing of specific internal controls and reporting findings to management

### **Cash Procedure 1**

- a) All cash and cheques kept in the locked cabinet in the office.
- b) All money banked on a regular basis so no large amounts kept in the office.
- c) When being taken to the bank, money kept well hidden in non-descript bags and kept close to person
- d) In the unlikely event of robbery staff must not resist and hand over cash if challenged.
- e) No petty cash transactions are carried out. All monies are received and banked without deductions.