

# Financial Risk Assessment

For Year ending 31 March 202~~4~~<sup>3</sup>

## Introduction

The Accounts and Audit Regulations (1996, 2003 and 2006) require all local councils to carry out an annual assessment of the financial risks within the organisation. The Parish Council is expected to identify any actions it considers necessary to minimise those risks.

The following table, prepared by the Clerk for June 202~~2~~<sup>3</sup>, attempts to identify the risks involved and recommends the necessary actions. Possible Parish Council actions are shown in Bold/italics:

The current insurer is ~~Royal Sun Alliance through Business Services at CAS Ltd~~ Aviva Insurance Limited through BHIB Insurance Brokers. The policy renewal date is 1 June 202~~2~~<sup>3</sup>/1 June 202~~3~~<sup>4</sup>.

Financial Area	Risk	Recommendation
Insurance	Public Liability (statutory)	Cover £10m for any one event
Insurance	Employers Liability (statutory)	Cover £10m for any one occurrence, £5m for any one event arising out of Terrorism
Insurance	<del>Hirers' Liability/Indemnity</del>	<del>Cover £2m</del>
Insurance	Libel and Slander by Councillor or Clerk	Cover £250,000 for any one period of insurance
Insurance	Officials Indemnity	Cover is <del>£4m</del> <u>£500,000</u>
Insurance	Money	Money in transit £2,9 <del>5</del> <sup>0</sup> 00, money on premises in safe £2,5 <del>0</del> <sup>0</sup> 00, money in employees or Council members residence in safe £3 <del>5</del> <sup>0</sup> 00, money in employees or Council members residence out of a safe £2 <del>3</del> <sup>5</sup> 0, non-negotiable money £250,000.
Insurance	Fidelity Guarantee	All Members and Employees £1 <del>0</del> <sup>5</sup> 0,000 – Monitor amount of bank account and reserves held and maintain sufficient cover amount of reserve each year.
Insurance	Personal Accident	<del>Cover is maximum £5m per person and/or accident. Temp disablement £1,000. Death in service £500,000. Death £100,000, loss of limb, hearing, sight or speech £100,000, permanent disablement £100,000, temporary total disablement £200 per week for 2 years</del>
Insurance	<del>Legal Defence Costs</del>	<del>Cover is £250,000</del>
Insurance	Legal Expenses	£4 <del>0</del> <sup>2</sup> 50,000 for any one event, <u>Employee Compensation Aggregate limit maximum</u> £1m for the period of cover
Insurance	Property	Not applicable
Insurance	Cover not maintained as required	Continue to review annually
Insurance	Loss of revenue	£10,000 12 months indemnity period

	No claims bonus Business interruption	not covered Increase cost of working £10,000 12 months indemnity period
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Financial Area	Risk	Recommendation
Payroll	Loss of data on PC due to system fault	Back up data on monthly basis Continue to use HM Customs and Revenue software (free) Continue to regularly obtain up to date versions at each budget and tax year
Payroll	Loss of services of Parish Clerk or casual staff	Immediately advertise any vacancy (if permanent loss) and request help from remaining employees/councillors to cover temporary loss
Administration	Payment arrangements	Continue with requirement to report all payments to Parish Council for approval Invoices presented for payment are checked by a member of the Council. Requirement for the Chairman to sign the Payment Schedule. Record on Minutes the amount on payments schedule. Previous month's payments are checked against the schedule and bank statement and initialled by member.
Administration	Reconciliation	At least a quarterly bank reconciliation reported to full Council.
Administration	Agency advice	Continue with memberships of Norfolk Association of Local Councils (NALC – Norfolk ALC) Review the possibility annually of membership of SLCC and CAN.
Play Areas	Loss of use of play equipment	Continue with regular maintenance and play area safety checks and take unsafe equipment out of service until repairs are carried out.
Precept	Annual precept not the result of proper detailed consideration	Continue to commence preparation of budget in October of each year Continue to present budget for Parish Council approval by no later than December each year.
Precept	Inadequate monitoring of performance	Continue with quarterly budget monitoring report and other reports provided by RFO
Precept	Illegal expenditure	Continue to ensure that all expenditure is within legal powers. Review and refer to adopted Financial Regulations and Standing Orders

Financial Area	Risk	Recommendation
Accounting	Non-standard and/or non-compliant records kept	Continue to require adequate, complete and statutory financial records and accounts
Accounting	Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns	Continue to ensure that all accounts and returns are completed and submitted by the deadlines
Accounting	Non-compliance with internal audit requirements	Continue to appoint internal auditor to audit accounts on at least a 6 monthly basis
Section 137 items	Overspend and incorrect monitoring	Continue to clearly identify S137 amounts separately in minutes and in cash book.
Contracts	Ensure continued value for money coupled with continuity of work	Approve the practice of seeking tenders for over £25,000. Advertising in local press and issuing specifications and tender documents to contractors expressing an interest Tenders to be opened in the presence of at least one Member and Clerk and reported to next available Council meeting <b>Seek to obtain 3</b> quotes for large expenditure generally
Banking	On-line banking fraud, scams etc	Continue to make use of recognised internet protection software and security procedures. Install updates at all times when prompted.

| Agreed by Reedham Parish Council at the Annual Parish Council Meeting held on: .....~~65~~<sup>th</sup> June 202~~23~~.....

Signed:.....*David Hale*..... Chairman of Reedham Parish Council

Next Review Date: June 202~~3~~<sup>4</sup>