



**Financial Risk Assessment and Management Policy
February 2019**

Area	Risk	Risk Level	Control
Assets	Protection of physical assets	L	Buildings and fixed assets insured Value reviewed annually. Physical/visual check of assets annually.
Security	Security of Buildings and Equipment	H	Fire and Smoke Alarms installed on Council properties. Passwords and keys strictly restricted to nominated personnel. Building and contents insured. Intruder alarms connected to control station and external bell.
Finance	Banking / Investments	M	Maximum use of higher interest account with regular transfers into current account. Monthly cash flow analysis. Investment policy in place. Reserves policy in place.
	Loss of cash through theft or dishonesty	H	Fidelity Guarantee reviewed annually (end of year balances plus ½ yearly precept). Safe used for storage of all petty cash, postage stamps, cheque book, unbanked cheques. Cash in safe kept to a minimum Office keys strictly restricted to nominated personnel.
	Financial Controls and records	M	Monthly accounts reconciled and reported to the Policy & Resources Committee/ Council monthly. Independent Internal Auditor checks procedures twice per year and External Auditors review accounts. Audit sub committee undertake checks quarterly.
	Financial Regulations	L	Financial Regulations are reviewed annually at full council

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	Compliance with Customs and Excise Regulations	L	Use of VAT Help Line when necessary to answer queries. VAT payment and claims verified through accounts package and made quarterly. Reconciliation carried out at year end shut down. Internal and external auditor provides further check.
	Sound budgeting to underlie annual precept	M	Committees receive details of draft budgets to be approved by Full Council receive details of budgets/ actual reports. Precept derived directly from this.
Internal Audit	Suitably experienced practitioner employed	L	CIPFA /AAT qualifications (preferred) or must have: an understanding of basic accounting processes & ability to review systems & awareness of risk assessment issues & an understanding of accounting requirements of the legal framework and powers of local councils. Appointment agreed annually Re-tender every 3 years.
	Internal Audit Plan	M	Internal auditor to check on a test basis the following: Receipts and payments records, including monthly reconciliations Use of petty cash accounts (imprest) Banking procedures Statutory compliance (NI, PAYE, VAT) Payments of superannuation and salaries Compliance with Financial Regulations Financial procedures and audit trails Corporate Risk Assessments Audit plan agreed by audit sub committee
	Frequency of work: Internal auditor Audit sub committee	L	Twice yearly Quarterly
	Independence	L	Statement of independence made annually
	Reports	L	Full copies of the auditor's reports reviewed at Full Council. Outcome of discussions minuted any required / recommended improvements actioned an monitored

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	Suspicion of Fraud	M	The auditor to report any suspicion of fraud in the first instance to the RFO, except where the RFO may be implicated in any possible fraud, in which case the auditor should report directly to the Chair of the Council.
	Roles of auditor, officers and members	L	The roles of different partners to be explicitly identified and recorded. Ongoing training for councillors.
Organisational Risk	Insufficient resources to carry out the Council's business	L	The RFO to present an organisational risk assessment of the Council's controls and procedures to minimise the possibility of the Council being unable to function or implement its budgeted activities. Expenditure against budget reviewed twice yearly Cash control monitored monthly
	Council no longer able to predict the cost to tax payers of any function or service. Annual income subject to change at short notice. Possible future introduction of capping.	H	Control of reserves and contingencies against future changes. Five budget year forecast reviewed annually. Earmarked reserves for loss of CTS grant
Liability	Risk to third party, property or individuals	M	Insurance in place. Bus Shelters, churchyard, play areas checked regularly and investigated when repairs or damage reported. Written reports maintained. Staff training maintained.
Employer Liability	Comply with Employment Law	M	Membership of NALC and SLCC Receive ACAS updates Use of TWC HR services where required
	Comply with HMRC requirements	M	Advice from HMRC. Internal and external auditor carry out annual checks. Use of external payroll. Bulletins with updates from NALC
	Safety of Staff and visitors	M	Regular Health & Safety Risk Assessment checks of Council Offices, and rooms hired out for events, particularly before public events

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Legal Liability	Ensuring activities are within legal powers	H	The Clerk clarifies legal position on any new proposal. Legal advice sought where necessary. Use of NALC / SLCC advice service. Power of General Competence in place
	Proper and timely reporting of Minutes.	M	Full Council meets six times per year and receives and reviews cycle of minutes from other committees. Minutes on website within 10 days.
	Proper document control	M	Leases and legal documents and Personnel details locked in cabinets. Other data storage to comply with GDPR
	Introduction of new requirements under GDPR	M	Professional advice sought, training (see action plan)
Administration	Data integrity and resilience	H	Data backed up in real time on TWC Cloud Virus scans are in operation at all times on all workstations and server, using up to date virus programmes.
Councillors Propriety	Registers of Interest	M	Compliance with Code of Conduct. Members' Registers of Interests completed by all members and reviewed regularly. Gifts and hospitality register available by prior appointment.

Adopted February 2019