**HARLING PARISH COUNCIL**

**Financial Risk Assessment**

**For Year ending 31 March 2022**

**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 Responsible Finance Officer, attempts to identify the risks involved and recommends the necessary actions. Possible Parish Council actions are shown in Bold/italics:

The current insurer is through Gallagher. The policy renewal date is 1st June 2022.

|  |  |  |
| --- | --- | --- |
| **Financial Area** | **Risk** | **Recommendation** |
| Insurance | Public Liability (statutory) | Cover £10m for any one event |
| Insurance | Employers Liability (statutory) | Cover £10m for any one occurrence |
| Insurance | Hirers’ Liability/Indemnity | Cover now £5m |
| Insurance | Libel and Slander by Councillor or Clerk | Cover now £500,000 for any one period of insurance |
| Insurance | Officials Indemnity | Employee and Members covered £500,000 |
| Insurance | Money | Money in transit £1,000, money on premises in safe £1,000, money on premises not in safe £1.000, non-negotiable money limit £250,000. Excess £250 each claim. |
| Insurance | Fidelity Guarantee | All Members and Employees £250,000 – Monitor amount of bank account and reserves held and maintain sufficient cover amount of reserve each year**.** |
| Insurance | Personal Accident | Cover is now £1m per person and/or accident. Temp disablement £500 per week. Death in service £100,000. |
| Insurance | Commercial Legal Protection | Cover now is £100,000 for both Legal, and Internet and Email |
| Insurance | Property | Schedule valid and checked by Clerk |
| Insurance | Cover not maintained as required | Continue to review annually |
| Insurance | Loss of revenue  No claims bonus  Business interruption | £10,000 12 months indemnity period  not covered  Increase cost of working £10,000 12 months indemnity period |

|  |  |  |
| --- | --- | --- |
| **Financial Area** | **Risk** | **Recommendation** |
| Payroll | Loss of data on PC due to system fault | Back up data on bi-monthly basis  Continue to use HM Customs and Revenue software (free) Back up Rialtas software after each update  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 2 member signatories to initial 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 |
| Administration | Agency advice | Continue with memberships of Norfolk Parish Training Service , National Allotment Society, BRAAM and SLCC |
| Cemetery | Loss of adequate space | Not yet an issue |
| Cemetery | Memorial Safety | *Currently looking at inspection programme for headstones* |
| Cemetery | Increase in net expenditure | Review fees structure annually. |
| 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 November of each year  Continue to present budget for Parish Council approval by no later than January each year. |
| Precept | Inadequate monitoring of performance | Continue with monthly 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 yearly basis |
| 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  **Seek to obtain 3** 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. |
| Borrowings | Refer to loans and credit cards wording in the Financial Regulations | Purchases made on debit card to be presented on the payments schedule monthly. Reconciliations carried out at least quarterly. No loans are in progress at this time. |

Agreed by Harling Parish Council at the Annual Parish Council Meeting held on: ……24th May 2022