HEMPTON
PUDDING NORTON & TESTERTON
PARISH COUNCIL

Financial Risk Management Policy

About the Council

The Council is a small council as defined by the Local Audit and Accountability Act 2014. The Council has varying activities and functions and is currently insured through Clear Councils. The Insurance Policy is for a term of 1 years and is due for renewal 1st October 2026.

The contact details for the insurers are:

Clear Councils Tele: DD: 0330 0130036

The Clerk retains the insurance file and will deal with all matters relating to risk and insurance. This is detailed in the Clerk's Job Description and supported by 'Governance and Accountability 2016'. The Council supports the Clerk in this role by providing training opportunities. The Council agrees the Risk Management Policy which is reviewed every year.

Main Actions in relation to risk management

- ✓ The Asset Register is updated during the year by the Clerk.
- ✓ Risk assessments (Health and Safety) are written and updated by a qualified body. Copies of risk assessments are retained.
- ✓ Sites are inspected at least annually, and records are retained.
- ✓ Play Areas are inspected bi-weekly, and an annual inspection must be carried out by an external qualified inspector. All inspections mustbe retained for at least 22 years.
- ✓ The Council reviews the Insurance Policy prior to renewal.
- ✓ Financial Risk Assessments are carried out by the Clerk / Responsible Financial Officer, as required.
- ✓ Documentation is kept safely and securely.
- ✓ The Council reviews its systems of Internal Control at least monthly.

FINANCIAL RISK ASSESSMENT

Risk Ratings: L = Low
M = Medium
H = High

Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
Employee and Public Liability	Accidents and associated legal claims. Unfounded legal claims Sickness	M M	• Risk assessments carried out by a competent,qualified person. • Full previous history and reference onemployees, at employment. • Public Liability insurance is held in the sum of £10 million to protect the Council from claimsby third parties due to accident or damage resulting from negligence. • Employer's Liability insurance is held in the sum of £5 million. This covers the legal liabilityof the Parish for negligence following death or bodily injury or disease sustained by employees during and arising out of or in the course of their employment. • Lone Workers Policy	Reviewed annually unlesslegislation changes. Taken up by the Employment Committee Reviewed annually Reviewed annually Reviewed annually

			• Adequate work/life balance	Reviewed annually at appraisal

Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise

Fraud and / or theft by officers / employees, third parties, Members	Loss of cash, funds orassets	H	• Reconciliation of the cashbook against the bank statement is done on a monthly basis bythe RFO • Bank reconciliation ,bank and credit card statements areagreed at Full Council and signed off by the Chairman. • A list of payments are prepared for the Full Council. Councillors discuss and 2 Councillorsauthorise these payments. • Approval of accounts for payment is recordedin the minutes. • Internal audit carried out at least once a yearby a competent person and appointment agreed by Full Council. • The cashbook is maintained using a recognised accounting package, updated asnecessary, and is backed up on a monthly basis. • Financial Regulations have been adoptedwhich set out procedures. • Asset insurance and Fidelity insurance well inexcess of perceived risk in place.	In line with the Financial Regulations (FR) In line with FR and Financial Standing Orders Ongoing Ongoing Consideration to be given to doing twice a year Regular backups shouldbe held outside of the office Reviewed every two years, however, need to be made Hempton specific Review annually

Financial Hazard	**Risk**	**Level of Risk**	**Control Measures to Manage Risk**	**Review / Assess / Revise**
Premature replacement of equipment	Costly equipment in need of replacement	L	• All new assets come with a statutory warranty • Adequate general reserves to fund othercontingencies are included in the budget	On going Reviewed annually
Vandalism / fire	Loss of amenities / revenue Cost of repair / makinggood	M	• Assets insured against incidents • Inspections of fire extinguishers carried out	Limited key holders Carried out annually
Disaster	Inability to function due to death / illness / departure of key personnel or destruction of property and / or records. Loss of revenue	L	• Risk insured as far as possible • Risks to be reassessed annually • Adequate reserves in place to fund allcontingencies • Computer records backed up weekly	Review annually Review annually On one drive
Failure of major projects	Supplier failure leavingincomplete works	M	• Council does not have any major projects planned. If a major project is to be planned then this item will be reviewed.	None
Contractors	Injury or self or public		• Public Liability Insurance • Contractors must have own Public Liability.	Reviewed annually

Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess /Revise
Inadequate internal systemsand controls	Failure to comply with legislation, Standing Ordersand / or Financial Regulations	L	• Clerk / RFO to gain CiLCA qualification • Review of systems and internal controls • Membership of NALC, and the SLCC	CiLCA passed by Clerk Reviewed annually
Councillors	Losing Councillor membership or having more than 8 vacancies atany one time	M	• Correct legal process followed when vacancies arise. • Appropriate action taken to try and co-opt Members onto the Council	Existing procedure adequate and in line withlegislation Inform NNDC
Precept	Adequacy of precept Requirement not submittedto NNDC in time.	M	• Precept request supported by budget and agreed at Full Council • RFO to expedite NNDC for deadline date	Completed annually

Salaries	Salaries paid incorrectlyWrong hours paid False employee Wrong rate of pay Wrong deductions of NI orTax Unpaid Tax & NI contribution to theInland Revenue	L	• The Council authorises the appointment of all employees through an Employment Committee and ratified at Full Council • All employees have a contract of employment and job description. • Salary rates are assessed annually by the Employment Committee • Salary analysis and slips are produced by the RFO monthly together with a schedule of payments to the Inland Revenue for Tax and NI • The Tax and NI are worked out using an Inland Revenue computer programme updated annually. • Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the RFO.	Employment CommitteeTerms of Reference reviewed annually Updated as required byHMRC

Financial Hazard	**Risk**	**Level of Risk**	**Control Measures to Manage Risk**	**Review / Assess / Revise**
VAT	Loss of income	L	• Vat is reclaimed quarterly by the RFO.	Annually

Council acts ultravires	Minutes or agendas are notcorrectly issued. Council spends outside itslegal powers	L	• Council relies on knowledge of the Clerk • Minutes and agendas are produced in the prescribed method by the Clerk and adhered tothe legal requirements and best practice guidelines. • Minutes are approved at Full Council Meetingsand signed at the appropriate meeting. • Minutes and agendas are displayed accordingto the legal requirements. • Council and Clerk seek guidance from professional bodies where necessary. • Business conducted at Council meetings ismanaged by the Chair. • Training in place	Existing procedures inplace adequate Ongoing Ongoing Ongoing Subscriptions reviewedannually Members to adhere toCode of Conduct. Reviewed Annually
Election costs	Risk of an election cost	H	• The Clerk to obtain an estimate of costs from NNDC for a full election and an uncontested election prior to the event.	The Council needs to reserve a budget in an election'syear.
Annual return	Completion / submissionwithin time limits	L	• Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent to the external auditor within the time limit.	Existing procedure adequate.

Financial Hazard	Risk	Level of Risk	• Control Measures to Manage Risk	Review / Assess / Revise
Members Interests	Conflict of interest. Register of Membersinterests	M	• Declaration of interests by Members at ameeting is a standard agenda item. • Register of Members Interests forms should bereviewed regularly by Councillors.	Existing procedures adequate Members to take responsibility to updatetheir Register Reviewed annually
Data protection	Policy provision	M	• A Data Protection Policy to be written;approved and adopted.	Review policy annually
Freedom of Information Act	Policy provision	M	• STC has a Freedom of Information (FOI)Policy in place. • STC can request a fee if the work will take along time in line with the FOI Policy.	Reviewed annually Clerk to monitor and report any impacts of requests made under the FOI Act.
Play Area	Risk / damage / injury tothird parties	H	• Weekly inspections carried out by an internalcompetent / trained person. • Annual inspections carried out by an externalcompetent / trained person. • All reports of damage or faults are reported toCouncil and a decision made regarding the action to be taken. • Public Liability Insurance in place	Weekly Annually Risk assessments of playareas to be carried out Reviewed annually

Financial Hazard	Risk	Level of Risk	• Control Measures to Manage Risk	Review / Assess / Revise
Street furniture	Risk / damage / injury tothird parties	H	• All faulty street lighting reported to Hemptons authorised contractor. • Contractor has Public Liability in place. • Benches, waste bins, dog bins, signs andplanters, replaced as necessary.	Formalised programme of inspections to be put in place.
Meetings location	Inadequate facilitiesHealth & Safety	M	• The Council meetings are held at the Memorial Hall or the Bowls Club • The premises and facilities are adequate forthe Clerk, Councillors and Public who attendfrom Health & Safety and comfort aspects. • Public Liability Insurance • Standing orders in place	Existing location adequate.
Grants and support – payable	Power to pay Authorisation of Council topay	L	• All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure.	Reviewed annually
Grants – receivable	Receipts of grants	L	• Council does not presently receive any regular grants. One of grants would come with terms and conditions to be satisfied.	Procedure would need tobe formed if required.

Assets	Risk / damage / injury tothird parties	M	• Covered on Councils insurance • Asset register to be updated and agreed at Full Council	Reviewed annually.

Financial Hazard	**Risk**	**Level of Risk**	• **Control Measures to Manage Risk**	**Review / Assess / Revise**
Income	Cash Rental and general income	M	• Cash handling is avoided, but where necessary controls are in place, two to council and sign for cash received. • Councillors to see list of income • Tenancy/Hire Agreements signed by all parties	Adequate procedure Monthly at Full Council (bank statements)