

FINANCIAL RISK MANAGEMENT (Policy No 6)

In what follows, the actions are to be taken by those in brackets after each action: Full Council (FC), Lead Councillor for Finance (LCF), Lead Councillors (LC(s)) and/or the Responsible Financial Officer (Clerk).

Direct risks are mainly financial but indirectly may affect the reputation of the Council and its ability to fulfil its functions and achieve targets.

1. Risks subject to insurance control

- a. Loss or damage to physical assets
- b. Damage to third party property or individuals as a result of provision of services or amenities, or on Council property (public liability)
- c. Loss of cash through theft or dishonesty (fidelity guarantee)
- d. Public liability as a result of asset ownership
- e. Injury to Councillors or volunteers on Council business
- f. Employer's liability

Event risks generally low but impact potentially high.

Council actions:

- Maintain register of assets and investments (RFO)
- Set up Health and Safety Policy, including detailed assessment of risks due to ownership of land and other assets (Clerk and LC(s)) – to be approved by FC.
- Review insurance cover annually (LCF and RFO)
- Ensure physical assets are adequately maintained (LC(s))

2. Risks subject to management in conjunction with others. Risks associated with:

- a. Provision of maintenance services to Council
- b. Ad hoc provision of facilities for community groups
- c. Investment of Council reserves
- d. Administration of allotments by Allotment Association

Event risks generally low but possible medium/high impact.

Council actions:

- Regular monitoring of services provided (RFO and LC(s))
- Annual review of contract (LCF and RFO)
- Clear statements of responsibility (FC)
- Regular review of investments (LCF and RFO)

3. Risks which can be self-managed. Risks arising from failure to:

- a. Keep financial records according to legal requirements
- b. Ensure correct use of online banking facility by the Clerk
- b. Ensure expenditure is within legal powers
- c. Ensure adequate funding through the Precept
- d. Inform electors about Council finances
- e. Minute all Council business properly and promptly
- f. Declare and register members' interests
- g. Respond to consultation requests or information received

Event risks low/medium, generally indirect

Council actions:

- Regular internal monitoring of accounts (LCF and RFO)
- Payment authorisation against each invoice (RFO)
- Provision of monthly payment lists to support bank reconciliation (RFO)
- Agreed Financial Regulations and revised Standing Orders (FC)
- Minute powers under which expenditure is approved (RFO)
- Regulations concerning purchase of capital equipment/services (FC)
- Preparation and monitoring of budget (LCF and RFO)
- Agreed procedure for responses to consultation/information requests (FC)

4. Review - This Risk Management strategy will be subject to review every 12 months.

Update prepared by Bob Lunn, Clerk to the Council – April 2016