

MIDDLETON-ON-SEA PARISH COUNCIL **APPENDIX M**

FINANCIAL RISK ASSESSMENT

(Re-approved 16.05.19)

1. Areas where there may be scope to use insurance to help manage risk

Issue	Responsibility
Risk Identification:	
Protection of physical assets – see property register	Loss/damage insurance
Protection of damage to 3 rd parties or individuals as a consequence of the Council providing services or amenities to the public	Public Liability insurance
Loss of cash through theft or dishonesty	Fidelity insurance
Legal liability as a consequence of asset ownership	Public Liability insurance
Liabilities in relation to employees	Employee Liability insurance
Potential libel and slander claims	Officials Indemnity insurance

Issue	Responsibility
Internal Controls:	
An up to date property register	Review annually – Clerk
Regular maintenance arrangements for physical Assets	Ongoing review by Parish Land & Property Committee
Annual review of risk and the adequacy of insurance cover	Review annually – Finance Committee
Ensure robustness of insurance providers	Review annually – Finance Committee
Internal Audit Assurance:	
Review of internal controls and documentation	Internal Auditor
Review of management arrangements for insurance cover	Internal Auditor
Testing of specific internal controls and reporting findings to management	Internal Auditor

2. Areas where there may be scope to work with others to help manage risk

Issue	Responsibility
Risk Identification:	
Security for vulnerable buildings amenities or equipment	Follow advice of Crime Prevention Officer's report
Maintenance for vulnerable buildings amenities or equipment	As above + regular review by the Parish Land and Property Committee
Playing Fields	To be managed by the Parish Land and Property Committee
Banking Arrangements	For regular monitoring / review by the Clerk. If deterioration in service identified place banking out to tender.
Ad hoc provision of amenities/facilities for events to local community groups	Nominate a Councillor or Committee to liaise with the groups, as required.

Issue	Responsibility
Internal Controls:	
Awarding Contracts for services & purchase of capital equipment	Finance Committee & Standing Orders
Review of annual contracts	Finance Committee
Clear statements of management responsibilities for each service	Committee responsibilities linked to Forward Plan
Performance against targets	Regular review of Forward Plan by Council
Arrangements to deter or detect fraud	Finance Committee controls
Regular bank reconciliation	Finance Committee Chairman (monthly)
Internal Audit Assurance:	
Review of internal controls	Internal Auditor
Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied	Internal Auditor
Review and testing of arrangements to prevent and detect fraud and corruption	Internal Auditor
Review of adequacy of insurance cover provided by suppliers	Internal Auditor
Testing of specific internal controls and reporting findings to management	Internal Auditor

3. Areas where there may be a need to self-manage risk

Issue	Responsibility
Risk identification:	
Keeping proper financial records in accordance with statutory requirements	Finance Committee & Clerk
Ensuring all business activities are within legal powers applicable to local councils	All Councillors & Clerk
Comply with restrictions on borrowing	Finance Committee & Clerk
Ensuring that all requirements are met under Customs & Excise regulations (especially VAT)	Finance Committee & Clerk
Ensuring that all requirements are met under employment law and Inland Revenue regulations	All Councillors & Clerk
Ensuring adequacy of the annual precept within sound budgeting arrangements	Recommendation of Finance Committee & ratified by majority of Councillors
Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137.	Finance Committee & Clerk
Monitoring of performance standards under partnership agreements.	Clerk
Proper, timely and accurate reporting of council business in the minutes	Clerk

Issue	Responsibility
Responding to electors wishing to exercise their rights of inspection	Clerk
Register of members' interests and gifts and hospitality in place, complete, accurate and up to date.	Clerk to maintain. All Councillors to provide the Clerk with updated information within statutory timescales.
Meeting laid down timetables when responding to consultation invitation	Chairman of respective Committee
Internal Controls	
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Finance Committee
Regular returns to the Inland Revenue, where appropriate	Finance Committee & Clerk
Regular VAT returns	Finance Committee & Clerk
Regular budget monitoring statements	Finance Committee & Clerk
Developing systems of performance measurement	All Councillors
Procedures in place for recording and monitoring members' interests and gifts and hospitality received	Clerk to maintain. All Councillors to provide the Clerk with updated information within statutory timescales.
Adoption of Codes of Conduct	All Councillors

Issue	Responsibility
Internal Audit Assurance	
Review of internal controls in place and their documentation	Internal Auditor
Review of minutes to ensure legal powers in place, recorded and applied, where appropriate	Internal Auditor
Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc.	Internal Auditor
Review and testing of arrangements to prevent and detect fraud and corruption	Internal Auditor
Testing of disclosures	Internal Auditor
Testing of specific internal controls and reporting findings to management	Internal Auditor